Notice of 2004 Annual Meeting and Proxy Statement
2003 Annual Report to Stockholders
2003 Annual Report Consolidated Financial Statements
To Our Shareholders

Fiscal 2003 was a year of significant accomplishment for Agilent, as we continued to strike a balance between the need to return to profitability and our ongoing work to build the company for the long term. In the fourth quarter of 2003 we achieved revenue that exceeded our plans, helped by a modest recovery in some of our markets. By the fourth quarter we had also lowered our quarterly operating costs to $1.45 billion(1) – about $200 million(2) lower than a year ago. As a result we were profitable in Q4, and our return to profitability is the start of Agilent’s next phase, in which our near-term goals are to sustain profitability and to grow faster than the markets we are in.

During 2003 we also made substantial progress in creating an exciting future for Agilent. We continued our efforts to transform how the company operates in order to be faster and more efficient. We made appropriate investments in research and development (R&D) in order to maintain our market leadership and to bring compelling new products to market. We refined our strategic focus and strengthened our leadership team. As a result, we began 2004 a more competitive, financially stronger and more efficient company. In this letter I will describe our key accomplishments and will discuss the outlook for 2004.

Making Agilent More Efficient and Competitive

Since 2000 we have been transforming nearly every aspect of how we do business with two key goals: to size Agilent appropriately and to make the company faster and more efficient. The severe downturn of the last two-and-a-half years left us no choice but to reduce our workforce to match the size of our business. By the end of 2003 we had about 29,000 employees worldwide, lower by nearly 15,000 people than we had at our peak. These workforce reductions, which we began in 2001 and which were essentially completed by the end of the year, have helped us remove nearly $2 billion(3) from our annual operating cost structure. In addition, our selective outsourcing and investments to transform our information technology (IT), manufacturing, human resources (HR), facilities, procurement and finance operations were a key factor in reducing our costs and making Agilent more competitive.

When Agilent became an independent company in 1999, we began to tailor our IT systems and applications to our needs. In 2003 we largely completed our IT transformation with deployment of our enterprise resource planning (ERP) system across our semiconductor products business and much of our test and measurement business. We implemented a new customer support system in early 2003, and we outsourced some IT functions to partners who can deliver these services cost-effectively. We made substantial reductions in the number of, and costs associated with, legacy applications and systems. We expect to complete our IT transformation in mid-2004 and to see more benefits as we move through fiscal 2004.

This year we also made excellent progress in transforming other functions. In finance, we increased the number of people at our global hub in India, where we are doing an increasing proportion of our collections, accounts-receivable management and other general accounting functions. In HR, we partnered with outside firms on many administrative tasks, such as payroll and benefits administration, in order to help Agilent managers focus on their people and on their business objectives. In workplace services, we reduced the worldwide manufacturing and office space we occupied by approximately 2.2 million square feet compared with a year ago. These and other operational transformations are crucial to Agilent’s cost-effectiveness and to our ability to address customer needs.

Investing for Growth

During 2003 Agilent invested just under $1.1 billion in R&D, or about $200 million less than our investment in 2002. We made very focused reductions in R&D during the year while preserving our core investments. The result was another strong year for new products. In our life sciences business, Agilent microarrays enabled researchers to measure differences in gene activity between normal cells and cancer cells. Our Operations Support Systems (OSS) solutions helped telecom service providers manage their extremely complex networks, introduce new services and lower their costs.
Our camera modules were built into a growing number of cell phones, and other semiconductor components from Agilent are making a range of consumer electronics products more powerful, more versatile and smaller.

R&D investments are not our only strategy for driving growth. During 2003, through the Agilent Ventures unit, we continued to invest in early-stage companies that are developing innovative technologies in the markets we serve.

Our strong product offering and improved operations were key factors in the recognition we won this year from customers. Celestica, Huawei, SBC and GlaxoSmithKline were among the companies who accorded Agilent significant recognition this year. We were No. 33 on Fortune magazine’s “100 Best Companies to Work For” list, and we won high ratings as an employer in China, Taiwan and Italy. Despite the hardships our employees have endured, nearly 6,000 of them volunteered for community action programs during the year. This and other contributions helped Agilent win the President’s Community Volunteer Award in the United States. I’m extremely proud of our employees’ dedication to helping improve the communities where they live and work.

A Sharper Strategic Focus

Since the middle of 2001 we have been working to ensure Agilent’s viability and to restore the company to profitability. In 2004 we are focusing on sustaining that profitability as well as on our strategy for achieving consistent, profitable growth. The markets in which we compete – communications, electronics, life sciences and chemical analysis – are large and are undergoing fundamental change. While these markets are likely to grow modestly in the aggregate, we are pursuing carefully selected opportunities within these markets where we believe we can achieve profitable growth that exceeds overall market growth.

Our strategy for growth has the following elements:

- **Maintain or gain market share in core businesses:** We believe the markets we serve will grow 6-8 percent per year over the next three years. We will focus on gaining market share and addressing opportunities in those markets where we have a strong position.

- **Invest in several areas for near-term growth:** These areas include wireless and imaging components; solutions for telecom network management; gene expression and proteomics within the life sciences; and semiconductor test.

- **Nurture “white space” opportunities:** These are the growth opportunities that don’t fall within one of our current businesses. Our deep technical expertise in Agilent Labs and our long-standing relationships with industry-leading customers are helping us identify and pursue a number of new business opportunities.

- **Grow services and consumables:** We believe we can increase the percentage of our total revenue from services and consumables from the current 15 percent to more than 20 percent. We will leverage our expertise and customer relationships to expand the ways in which we help customers achieve their goals.

- **Capture opportunities in emerging markets:** We have a growing presence in China, other parts of Asia and eastern Europe, and we are working to strengthen our position in these promising markets.

Agilent is fundamentally a diverse technology company with important synergies across our businesses. These synergies include our R&D capabilities and expertise in fundamental scientific and technology disciplines; our ability to share vital services such as IT, corporate governance and procurement; and our strong corporate culture that focuses on clear objectives, well-defined metrics and rewarding people for results. We expect each of our businesses to optimize these synergies to achieve growth and profits that are ahead of their competitors and that result in attractive return on invested capital.
Senior Management Changes

During 2003 we made several additions to our Board of Directors and the senior management team. Koh Boon Hwee and Robert Joss joined our Board. Boon Hwee is chairman of Singapore Airlines Ltd. He brings a deep understanding of the Asian market and a superb track record in the telecom industry to Agilent. Bob Joss is dean of the Graduate School of Business at Stanford University. He has spent much of his career in banking and finance and has extensive international and senior executive experience.

This year we named Young K. Sohn as senior vice president and general manager of our Semiconductor Products Group. Young was most recently chairman and CEO of Oak Technology, a semiconductor company that provides digital media solutions for consumer electronics markets. He is an energetic executive with extensive knowledge of the semiconductor industry. This year Darlene Solomon was named vice president and director of Agilent Laboratories. Darlene’s great track record as a technologist and business manager makes her a superb choice to lead our central research facility.

Business Outlook

We are encouraged by our return to profitability in the fourth quarter of 2003 and by our progress throughout the year in reducing our cost structure. We believe that demand in some of our markets began to strengthen at the end of fiscal 2003 and that our excellent fourth-quarter results reflected this improvement.

We are cautiously optimistic about the macroeconomic outlook for fiscal 2004. The strong surge in US Gross Domestic Product at the end of calendar 2003 is encouraging and suggests improved prospects for capital equipment purchases. The improvement in corporate profits in the United States is another positive indicator. In addition, the prospects for growth in Asia remain very good.

There are reasons for caution as well. Overcapacity remains a substantial issue in the wireline telecommunications market. We expect somewhat slower growth in Europe than in Asia and the United States. The prolonged downturn in the high-tech sector may have the effect of slowing the general rate of technology adoption in some of our markets.

In 2004 we are determined to build on the progress we have made in restoring Agilent to profitability and in building the company for the future. The difficulties of the last two-and-a-half years have tested our company in many ways, but they have not altered our fundamental strengths: a rich and diverse technology portfolio, broad market leadership, and a culture that fosters innovation. That innovation is made possible by the skills and energy of our people, who have done remarkable work under difficult circumstances. In 2004 we will stay focused on the financial discipline, ongoing operational improvement and the customer relationships that are vital to keeping Agilent at the forefront of our industry.

Ned Barnholt
Chairman, President and Chief Executive Officer

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(1) Agilent’s operating breakeven cost structure of $1.45 billion can be reconciled to GAAP breakeven cost structure as follows: Total GAAP costs and expenses of $1.6 billion less restructuring of $0.06 billion, less cost of sales decrement of $0.08 billion (35% x $225 million), less IT projects of $0.02 billion.

(2) This number can be calculated as follows: Total GAAP costs and expenses for the fourth quarter of 2002 of $2.1 billion less $0.09 billion of goodwill and intangible amortization and $0.3 billion of restructuring, less total GAAP costs and expenses for the fourth quarter of 2003 of $1.6 billion less $0.06 billion of restructuring.

(3) This number can be calculated as follows: Total GAAP costs and expenses for the fourth quarter of 2001 of $2.3 billion less $0.1 billion of goodwill and intangible amortization and $0.2 billion of restructuring, less total GAAP costs and expenses for the fourth quarter of 2003 of $1.6 billion less $0.06 billion of restructuring annualized.
Agilent at a Glance

Agilent delivers innovative technologies, solutions and services to a wide range of customers in communications, electronics, life sciences and chemical analysis. The breadth and depth of our expertise enable us to offer solutions across our customers’ research, development, manufacturing and operations value chain for creating new technologies, products and services. With insight gained from this unique and comprehensive perspective, we are dedicated to helping our customers make real progress in achieving their business results.

More than half of Agilent’s revenue is generated from outside of the United States. With customers in more than 110 countries, our global presence offers a distinct competitive advantage. Agilent’s manufacturing, R&D, sales and support capabilities around the world give customers the flexibility they need in today’s competitive environment.

<table>
<thead>
<tr>
<th>Business Group</th>
<th>2003 Net Revenue</th>
<th>Description</th>
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<tbody>
<tr>
<td>Test and Measurement</td>
<td>$2.5 billion</td>
<td>Our test and measurement business provides standard and customized solutions that are used in the design, development, manufacture, installation, deployment and operation of electronic equipment and systems as well as communications networks and services.</td>
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<tr>
<td></td>
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<td><strong>Markets:</strong> communications test and general purpose test.</td>
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<td></td>
<td></td>
<td><strong>Product areas:</strong> communications test products include testing solutions for fiber optics, transport networks, broadband and data networks, wireless communications, microwave networks and products, installation and maintenance solutions and operations support systems, including monitoring and network management systems; general purpose test products include general purpose instruments, modular instruments and test software, digital design products, and high-frequency electronic design tools.</td>
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<tr>
<td>Automated Test</td>
<td>$0.8 billion</td>
<td>Our automated test business provides test system solutions that are used in the manufacture of semiconductor devices and printed circuit assemblies.</td>
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<tr>
<td></td>
<td></td>
<td><strong>Markets:</strong> semiconductor manufacturing and electronic manufacturing.</td>
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<tr>
<td></td>
<td></td>
<td><strong>Product areas:</strong> semiconductor test equipment and electronics manufacturing test equipment, including automated optical inspection, automated x-ray inspection, automated in-circuit testing and manufacturing test system software.</td>
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<tr>
<td>Business Group</td>
<td>2003 Net Revenue</td>
<td>Description</td>
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<tr>
<td>Semiconductor Products</td>
<td>$1.6 billion</td>
<td>Our semiconductor products business is a leading supplier of semiconductor components, modules and assemblies for high-performance electronics and communications systems.&lt;br&gt;&lt;br&gt;<strong>Markets:</strong> networking and personal systems.&lt;br&gt;&lt;br&gt;<strong>Product areas:</strong> networking products include fiber optics and high-speed digital integrated circuits; personal systems products (for use in mobile phones, printers, PC peripherals and consumer electronics) include radio frequency and microwave communications devices such as FBAR duplexers and E-pHEMT power amplifiers; infrared emitters, detectors and transceiver modules; printing application specific integrated circuits (ASICs); optical image sensors and processors, optical position sensors, light emitting diodes (LEDs) and optocouplers.</td>
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<tr>
<td>Life Sciences and Chemical Analysis</td>
<td>$1.2 billion</td>
<td>Our life sciences and chemical analysis business provides application-focused solutions including instruments, software, consumables and services that enable customers to identify, quantify and analyze the physical and biological properties of substances and products.&lt;br&gt;&lt;br&gt;<strong>Markets:</strong> gene expression, proteomics, pharmaceutical analysis, environmental, petrochemical, homeland security and forensics, and bioagriculture and food safety.&lt;br&gt;&lt;br&gt;<strong>Product areas:</strong> microarrays; microfluidics; gas chromatography; liquid chromatography; mass spectrometry; software and informatics; and related consumables, reagents and services.</td>
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<tr>
<td>Agilent Labs</td>
<td></td>
<td>Agilent Laboratories is our central research organization. Agilent Labs engages in: 1) applied research leading to technology that can be transferred to our existing businesses in communications, electronics, life sciences and chemical analysis, and 2) research that creates new businesses that are outside of our current markets but within our fields of interest. Agilent Labs also provides technology integration across the company.</td>
</tr>
<tr>
<td>Agilent Sales and Support</td>
<td></td>
<td>Agilent sells and distributes products primarily through a direct sales force as well as through distributors, resellers, telesales and electronic commerce. Our businesses provide a range of services and customer support, including systems integration, technical and product support, consulting and knowledge services.</td>
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## Officers

- Edward W. (Ned) Barnholt, Chairman of the Board of Directors, President and Chief Executive Officer
- Adrian T. Dillon, Executive Vice President and Chief Financial Officer
- John R. Eaton, Vice President, Finance and Corporate Development and Treasurer
- William R. Hahn, Senior Vice President, Corporate Relations
- Jean M. Halloran, Senior Vice President, Human Resources
- Didier Hirsch, Vice President and Controller
- Larry C. Holmberg, Senior Vice President, Sales, Marketing and Customer Support
- Marie Oh Huber, Vice President, Assistant General Counsel and Assistant Secretary
- D. Craig Nordlund, Senior Vice President, General Counsel and Secretary
- Young K. Sohn, Senior Vice President and General Manager, Semiconductor Products Group
- Darlene Solomon, Vice President and Director of Agilent Labs
- William P. Sullivan, Executive Vice President and Chief Operating Officer
- Jack P. Trautman, Senior Vice President and General Manager, Automated Test Group
- Chris van Ingen, Senior Vice President and General Manager, Life Sciences and Chemical Analysis Group
- Thomas E. White, Senior Vice President and General Manager, Communications Solutions Group

## Directors

- Edward W. (Ned) Barnholt, Chairman of the Board of Directors, President and Chief Executive Officer
- James G. Cullen, Retired President and Chief Operating Officer of Bell Atlantic Corporation (now known as Verizon)
- Robert J. Herbold, Retired Executive Vice President of Microsoft Corporation
- Koh Boon Hwee, Chairman of Singapore Airlines Ltd.
- Walter B. Hewlett, Independent Researcher and Director, Center for Computer Assisted Research in the Humanities and Public Policy Institute of California
- Robert L. Joss, Dean of the Graduate School of Business of Stanford University
- Heidi Kunz, Executive Vice President and Chief Financial Officer of Blue Shield of California
- David M. Lawrence, M.D., Chairman Emeritus of Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals

## Board Committees

- **Audit & Finance Committee**
  - Heidi Kunz, Chairperson
  - Robert J. Herbold
  - Walter B. Hewlett
  - Robert L. Joss

- **Compensation Committee**
  - James G. Cullen, Chairperson
  - Koh Boon Hwee
  - David M. Lawrence, M.D.
  - A. Barry Rand

- **Nominating/Corporate Governance Committee**
  - David M. Lawrence, M.D., Chairperson
  - James G. Cullen
  - Robert J. Herbold
  - Koh Boon Hwee
  - Walter B. Hewlett
  - Robert L. Joss
  - Heidi Kunz
  - A. Barry Rand

- **Executive Committee**
  - David M. Lawrence, M.D., Chairperson
  - Edward W. (Ned) Barnholt

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*All listed officers, except John R. Eaton, William R. Hahn, Larry C. Holmberg, Marie Oh Huber and Darlene Solomon, are executive officers of Agilent under Section 16 of the Securities Exchange Act of 1934.*
Agilent’s annual meeting of shareholders will take place on Tuesday, March 2, 2004 at 10:00 a.m. at the South San Francisco Conference Center, 255 South Airport Boulevard, South San Francisco, California.

Investor Information

Please see the full and audited financial statements and footnotes contained in this booklet. To receive paper copies of the annual report, proxy statement, Form 10-K, earnings announcements and other financial information, people in the United States and Canada should call our toll-free number: (877) 942-4200. People calling from outside the United States and Canada should dial: (402) 573-9919. You can also access financial information at Agilent’s Investor Relations Web site. The address is http://www.investor.agilent.com.

Corporate Governance, Business Conduct and Ethics

Agilent’s corporate governance guidelines, the charters of our Audit and Finance Committee, Compensation Committee and Nominating /Corporate Governance Committee as well as Agilent’s Standards of Business Conduct are available on the Investor Relations Web site at http://www.investor.agilent.com. You can also request a hard copy of any of this information by contacting (877) 942-4200 (in the United States or Canada) or (402) 573-9919 (outside the United States and Canada).

Transfer Agent and Registrar

Please contact our transfer agent, at the phone number or address listed below, with any questions about stock certificates, transfer of ownership or other matters pertaining to your stock account.

Computershare Investor Services
P.O. Box A3504
Chicago, IL 60690-3504
United States

If calling from anywhere within the United States and Canada: (877) 309-9856.

If calling from outside the United States: (312) 588-4672.

The e-mail address for general shareholder inquiries for Computershare is: web.queries@computershare.com.

Investor Contact

Agilent Technologies, Inc.
Investor Relations Department
395 Page Mill Road
Palo Alto, CA 94306

You can also contact the Investor Relations Department via e-mail at the Agilent Investor Relations Web site at http://www.investor.agilent.com. Click “Phone or Email” in the “Contact IR” box to send a message.

Agilent Headquarters

Agilent Technologies, Inc.
395 Page Mill Road
Palo Alto, CA 94306
Phone: (650) 752-5000
Common Stock

Agilent is listed on the New York Stock Exchange and our ticker symbol is “A.” There were approximately 67,128 registered shareholders as of November 28, 2003. Since we plan to retain future earnings to maximize the growth and development of our company, we do not anticipate paying cash dividends in the foreseeable future. We do not currently offer direct purchase of Agilent shares from the company or a dividend re-investment plan (DRIP).

The following tables summarize the high and low stock prices by period for Agilent’s common stock.

<table>
<thead>
<tr>
<th>Fiscal 2002</th>
<th>High</th>
<th>Low</th>
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<tbody>
<tr>
<td>First Quarter (ended January 31, 2002)</td>
<td>$33.30</td>
<td>$22.06</td>
</tr>
<tr>
<td>Second Quarter (ended April 30, 2002)</td>
<td>$38.00</td>
<td>$24.83</td>
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<tr>
<td>Third Quarter (ended July 31, 2002)</td>
<td>$31.25</td>
<td>$16.00</td>
</tr>
<tr>
<td>Fourth Quarter (ended October 31, 2002)</td>
<td>$18.88</td>
<td>$10.50</td>
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</table>

<table>
<thead>
<tr>
<th>Fiscal 2003</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter (ended January 31, 2003)</td>
<td>$20.30</td>
<td>$13.19</td>
</tr>
<tr>
<td>Second Quarter (ended April 30, 2003)</td>
<td>$16.82</td>
<td>$11.30</td>
</tr>
<tr>
<td>Third Quarter (ended July 31, 2003)</td>
<td>$22.64</td>
<td>$15.48</td>
</tr>
<tr>
<td>Fourth Quarter (ended October 31, 2003)</td>
<td>$26.48</td>
<td>$20.31</td>
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This Annual Report, including the letter titled “To Our Shareholders,” contains forward-looking statements (including, without limitation, information regarding profitability, growth and the ability to grow profitably, completion and benefits of our operational transformations, strategic focus, revenue allocation, return on invested capital, Agilent’s presence in regional markets, the outlook for the general economy in the U.S. and in other regions and for the markets that Agilent serves, prospects for capital equipment purchases and the rate of technology adoption) that involve risks and uncertainties that could cause results of Agilent to differ materially from management’s current expectations. These risks include the ability to execute successfully through business cycles while it continues to implement workforce and other cost reductions; the ability to meet and achieve the benefits of its cost reduction goals and otherwise 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 successful implementation of Agilent’s ERP and other information systems and the ability to realize the benefits from these and other IT systems investments; the ability to improve asset performance to adapt to the current economic slowdown and other changes in demand; the ability to successfully introduce new products at the right time, price and mix and other risks detailed in Agilent’s filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended Oct. 31, 2003 as well as any subsequent filings.

The materials contained in this annual report are as of January 14, 2004, unless otherwise noted. The content of this annual report contains time-sensitive information that is accurate only as of this date. If any portion of this annual report is redistributed at a later date, Agilent will not be reviewing or updating the material in this presentation.

This Annual Report contains the full, audited financials and notes thereto contained in the following section of this booklet with the tab “Annual Report Financials”. Within the Annual Report Financials, please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risks, Uncertainties and Other Factors That May Affect Future Results” for more complete information on each of our businesses and Agilent as a whole.