



2006 Analyst Meeting

Measure. Growth

December 12, 2006



2006 Analyst Meeting

Measure. Growth

December 12, 2006

Hilliard C. Terry, III
Vice President and
Treasurer

Safe Harbor Statement

These presentations contain forward-looking statements (including, without limitation, statements regarding the enhancement of shareholder value, our reduction of infrastructure costs in connection with our restructuring efforts, our ongoing share repurchase program, and information and future guidance on our goals, priorities, orders, revenues, demand, growth opportunities, customer service and innovation plans, new product introductions, financial condition, earnings, liquidity, capital structure, operating performance, cost structure, cyclicity, the continued strengths and expected growth of the markets we sell into, operations, operating earnings, balance sheet models and our ability to be free cash flow positive under any normal economic environment) that involve risks and uncertainties that could cause results of Agilent to differ materially from management's current expectations.

In addition, other risks that the company faces in running its operations include the ability to execute successfully through business cycles while it continues to implement 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 ability to improve asset performance to adapt to changes in demand; the ability to successfully introduce new products at the right time, price and mix, and other risks detailed in the company's filings with the Securities and Exchange Commission, including our Quarterly Report on Form 10-Q for the three-month period ended July 31, 2006.

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

2006 Analyst Meeting Agenda

7:30 A.M. to 8:30 A.M.	Registration and Continental Breakfast
8:30 A.M. to 9:00 A.M.	Bill Sullivan: Introduction and Strategic Update
9:00 A.M. to 9:30 A.M.	Adrian Dillon: Financial Review
9:30 A.M. to 10:00 A.M.	Q&A (Bill and Adrian)
10:00 A.M. to 10:15 A.M.	BREAK
10:15 A.M. to 11:00 A.M.	Pat Byrne – Electronic Measurement
11:00 A.M. to 11:45 A.M.	Chris van Ingen – Bio-Analytical Measurement
11:45 A.M. to 12:00 P.M.	Bill Sullivan – Review and Closing Thoughts
12:00 P.M. to 1:00 P.M.	Lunch
1:00 P.M. to 4:00 P.M.	Optional Tours and Product Demos



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William P. (Bill) Sullivan
President and
Chief Executive Officer

Why Test and Measurement?

\$40 billion addressable market with ample opportunity for growth

- Agilent is just \$5 billion of a \$40 billion market
- Stable business growing at 6-8%
- High margin business that can sustain 20%+ ROIC
- We are addressing new segments in this market and expanding into adjacent markets

\$20B Bio-Analytical Measurement

- Life Sciences - \$14 billion
- Chemical Analysis - \$6 billion



\$20B Electronic Measurement

- General Purpose Test - \$7.5 billion
- Communications Test - \$13 billion



A Focused Measurement Company

Measurement solutions that address critical customer challenges

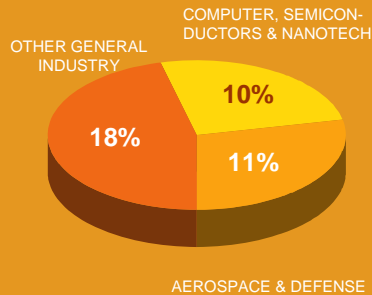
Electronic Measurement
 2006 Revenue: \$3.4 Billion
 Expected Growth: 8%

Bio-Analytical Measurement
 2006 Revenue: \$1.6 Billion
 Expected Growth: 12%

General Purpose



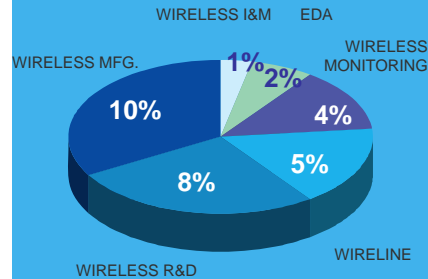
FY06 Revenue
 \$2 Billion



Communications



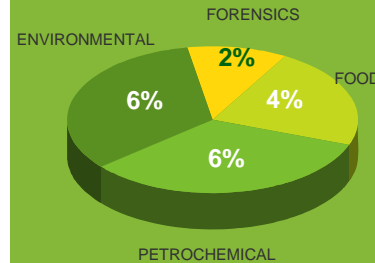
FY06 Revenue
 \$1.4 Billion



Chemical Analysis



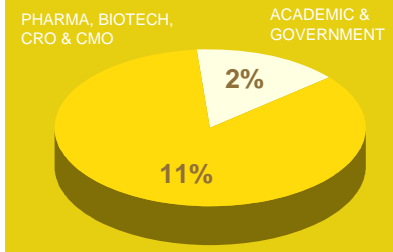
FY06 Revenue
 \$900 Million



Life Sciences



FY06 Revenue
 \$700 Million



The Next Phase for Agilent

With the restructuring behind us, a renewed focus on growth

PHASE I: Refocus

- Refocus the company on the \$40B measurement market
- Realize targeted operating model
- Return value of semiconductor products group divestiture to our shareholders with stock repurchase program
- Verigy spin-off and IPO

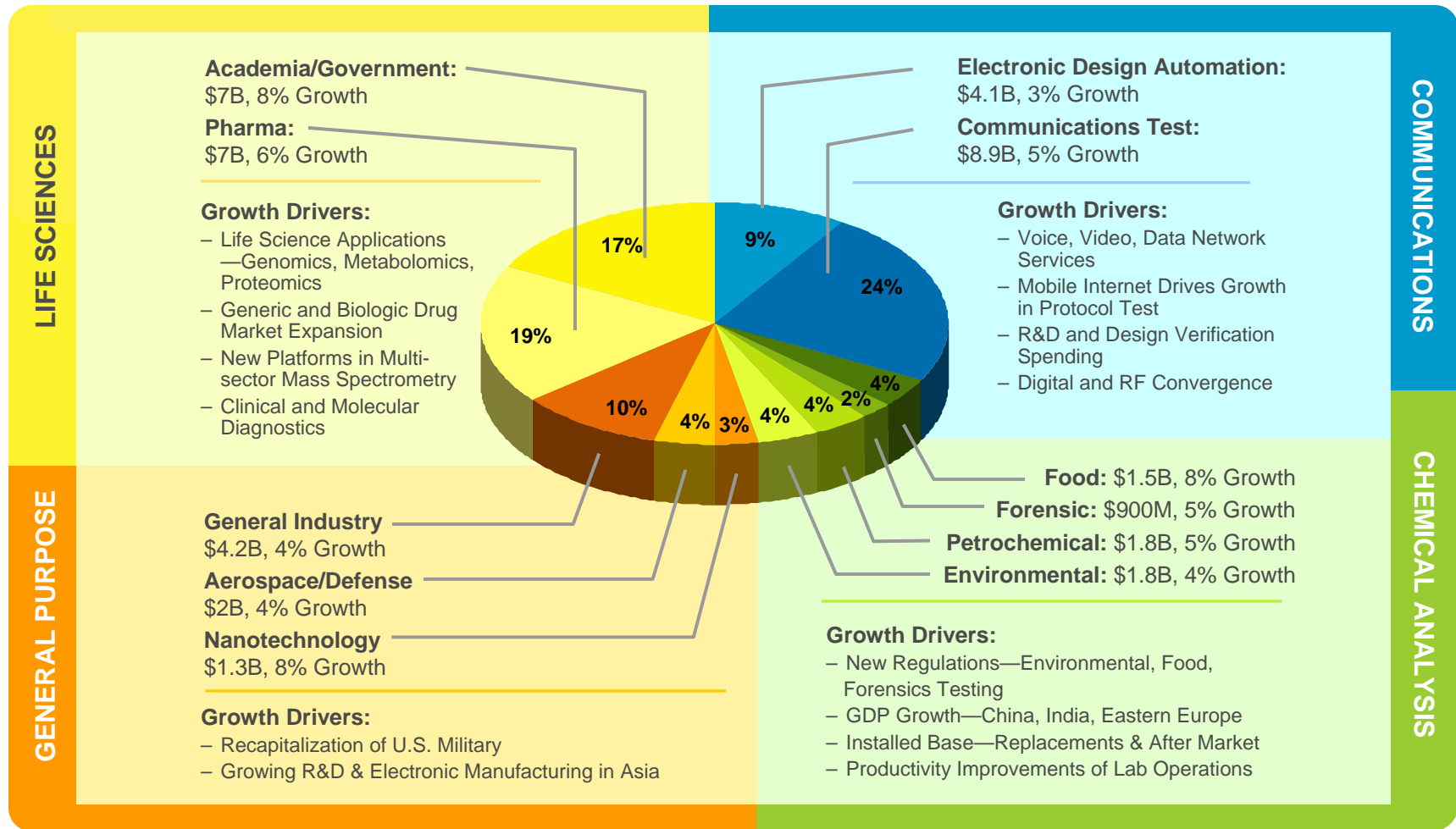


PHASE II: Growth

- Leverage operating model by outpacing industry revenue growth
- Build leadership team to drive the growth
- Engage all employees to actively participate in the next phase of the company
- Further align executive compensation with growth objectives (ROIC + profitable growth)

What Markets Are We Going After?

We expect to outpace the market growth rate of 6-8%



Growth Objectives with Acquisition Impact

Market growth 6-8%, share gains 2%, acquisition impact 2%

Bio-Analytical Measurement

Organic Growth Initiatives

- Microarrays
- LC/MS
- Diagnostics
- Informatics

+\$650 million over 3 years

Electronic Measurement

Organic Growth Initiatives

- Aerospace/Defense Initiative
- Communications (wireless R&D and triple play)
- Low Cost Instrumentation
- Nanotechnology Tools

+\$1 billion over 3 years

Agilent is uniquely positioned to outpace the market through unparalleled product, service, and support offerings

Acquisition Strategy

Expanding on our core measurement foundation

- Our goal is to increase growth by 3 points through M&A
- Over the last 9 quarters we made 11 acquisitions, expect 2 points of growth over 3 years from these acquisitions

	Company	Business Area
Electronic Measurement	Qianfeng Instruments JV Molecular Imaging Eagleware Xpedion Design Systems Acqiris SA (not closed) PXIT Inc. (not closed)	Low-cost RF instruments Nanotechnology tools RF EDA software RFIC & Design Verification Software High-Speed Digitizers & Analyzers Optical Transceiver Test
Bio-Analytical Measurement	Silicon Genetics Computational Biology Scientific Software Yokogawa Analytical Systems SynPro Corp.	Comparative genomic hybridization Location analysis (gene expression) Lab informatics software Life Sciences & Chemical analysis Synthetic nucleic acid contract manufacturer

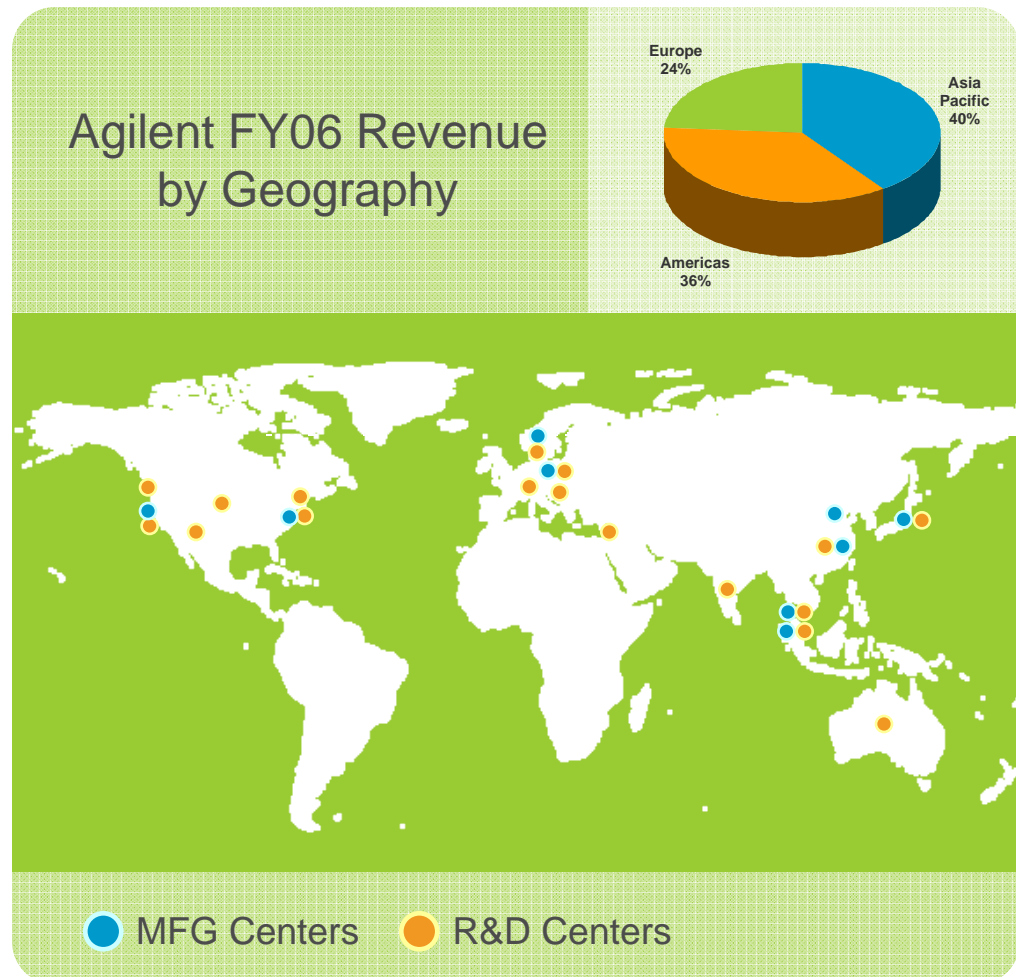
“Agilent continues to actively look for acquisition opportunities, while ensuring we generate 20% incremental ROIC by year 3”

Agilent Around the World

Global footprint offers unmatched service and support

- **Manufacturing Headcount: 7,300**
45% Asia Pacific
20% Europe
35% Americas
- **R&D Headcount: 2,900**
30% Asia Pacific
20% Europe
50% Americas
- **Sales & Marketing: 4,500**
36% Asia Pacific
19% Europe
45% Americas
- **Administration: 4,000**
46% Asia Pacific
22% Europe
32% Americas

Global headcount: 18,700



Customer Satisfaction and Loyalty Drives Growth

Customers in more than 110 countries, sales force of over 3,000 people

- Agilent has the highest customer loyalty in the market
 - Both EMG and LSCA lead all competitors
 - Agilent is associated with trust, safety and success due to its heritage, breadth of products and long-standing reputation
 - Loyalty is measured by customer retention, growth and recommendation
- In emerging markets of China and Korea, Agilent's customer loyalty is strong and well ahead of competition



Worldwide Equipment Installed Base: \$34 billion
37,000 Customers in 2006

Measure. Growth

Strategically focused on what we do best

- We are committed to being the measurement solutions partner to every engineer, service provider, and scientist in the bio-analytical and electronics markets
- We are going after a \$40 billion market, with the right strategy and the right leadership in place to drive above market growth
- Agilent's operating model provides powerful leverage for sustainable, profitable growth





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Adrian T. Dillon
Executive Vice President,
Finance & Administration
Chief Financial Officer

New Agilent Operating Results 2004 – 2006

(excludes Verigy, presented on a non-GAAP basis)

	Q4'05	Q1'06	Q2'06	Q3'06	Q4'06	FY04	FY05	FY06
M\$	Act	Act	Act	Act	Act	Act	Act	Act
Orders	1,304	1,177	1,276	1,225	1,397	4,512	4,773	5,075
Net Revenues	1,248	1,167	1,239	1,239	1,325	4,558	4,685	4,970
% Change	2%	3%	5%	10%	6%	16%	3%	6%
Gross Profit %	54.2%	53.9%	53.8%	56.5%	56.2%	50.2%	52.7%	55.2%
R&D	144	147	153	155	149	544	584	604
% Revenues	11.5%	12.6%	12.4%	12.5%	11.3%	11.9%	12.5%	12.2%
SG&A	338	334	347	359	367	1,281	1,323	1,407
% Revenues	27.1%	28.6%	28.0%	29.0%	27.7%	28.1%	28.2%	28.3%
Operating Profit	196	148	167	186	229	465	560	730
Op. Margin, %	15.7%	12.7%	13.5%	15.0%	17.3%	10.2%	12.0%	14.7%
Other Income	16	40	41	32	23	34	67	136
Pre-Tax Earnings	212	188	208	218	252	499	627	866
Income Tax	65	46	51	52	61	178	164	210
Net Earnings	147	142	157	166	191	321	463	656
ROIC	25%	22%	23%	25%	29%	12%	18%	25%
Inventory Days	98	107	97	105	98	106	98	98
DSO	49	50	53	51	47	53	49	47
Regular Headcount	19,354	18,840	18,748	18,640	18,682	19,806	19,354	18,682
Avg Diluted Shares	512	483	442	421	417	490	500	441
Non-GAAP EPS	\$ 0.29	\$ 0.29	\$ 0.36	\$ 0.39	\$ 0.46	\$ 0.66	\$ 0.93	\$ 1.49
Note: Incremental	48%	88%	75%	54%	43%	110%	75%	60%

Update on Recent Actions

Continuing to meet our strategic commitments

	Announced Actions	Status
Phase I	Call the \$1.1 billion convertible debentures	Completed, Sept. 2005
	Sell 50/50 stake in LumiLeds joint venture to Philips for \$1 billion	Completed, Nov. 2005
	Divest the Semiconductor Products Group to KKR/Silver Lake Partners for \$2.7 billion	Completed, Dec. 2005
	Repurchase \$4.5 billion in stock over a two-year period	Completed, June 2006
	Spin-off SOC and Flash Memory Test businesses (Verigy)	Completed, Oct. 2006
Phase II	Repurchase \$2 billion in stock over a two-year period	To be completed by October 2008

significant reduction in infrastructure costs

Global Infrastructure Operations (GIO)

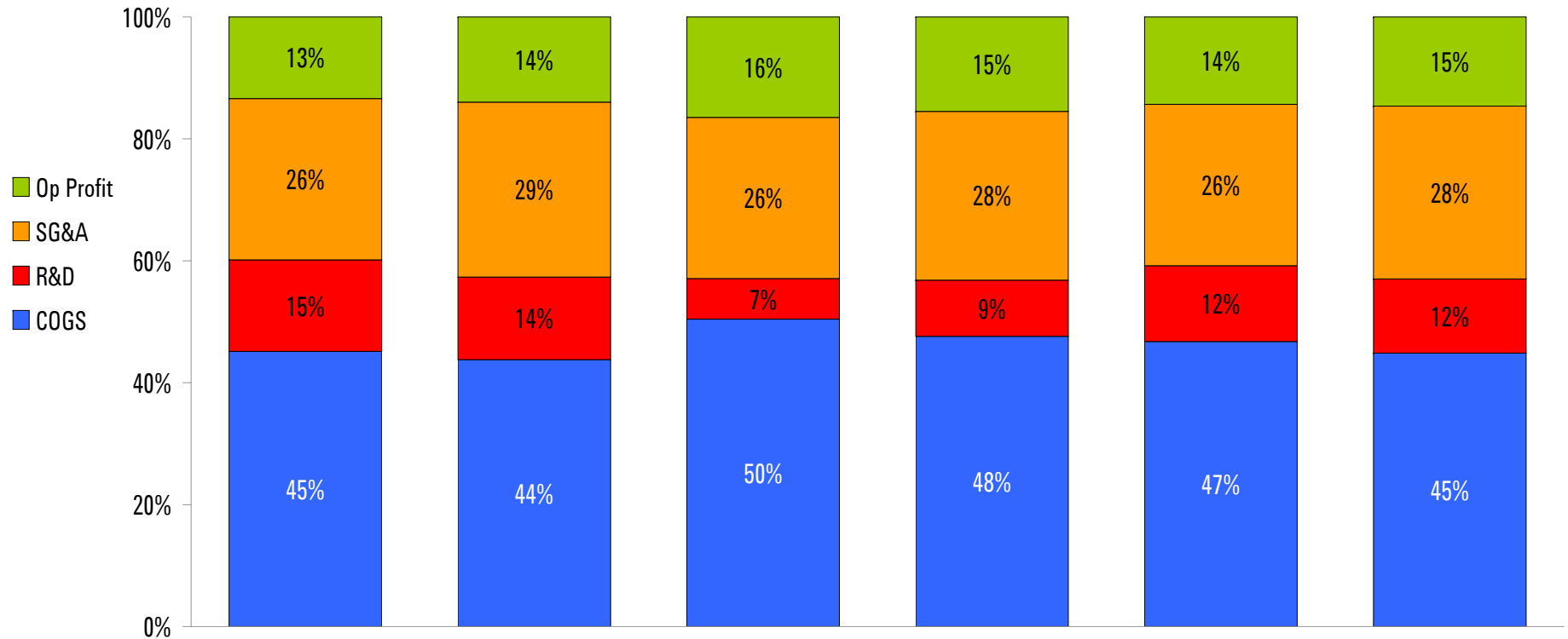
- Annual GIO costs to be reduced 35% to \$850M
 - Headcount reduction about 34%, or 1,300
 - Reduction of 1pp of continuing revenue reflects benefits of focus and redesign
- 11 major sites eliminated completely
 - 25+ sites impacted
- Achieved 'parity' mid-fiscal 2006, with 'clean slate' savings completed by early-2007
- Estimated restructuring costs:
 - Workforce Management: \$225M
 - Sites & Facilities: \$80M
 - IT investments: \$70M
- Estimated cash from sale of properties: \$275M



COMPLETED

Agilent Competitive Comparisons – Group Blends

Last 12 Month results as of Q4 06 relative to our top competitors



	EMG Blend	EMG	LSCA Blend	LSCA	Group Blend	New Agilent
YoY Rev Growth	14%	5%	6%	9%	11%	6%
Inventory Days	141	114	96	74	127	101
DSO	72	47	68	56	70	49
ROIC	22%	23%	22%	28%	22%	25%

2007 Macro and Market Assumptions

- World economy transitioning to mature business cycle
- U.S. growth slowing due to housing-related sectors
 - Modest inventory correction underway
 - Weaker U.S. dollar aids exporters
- Asia remains growth engine, Europe steady
- WW semiconductor shipments growth steady at 9%
- Bio-Analytical secular growth essentially unchanged at about 8% for 2007
 - Difficulties in 'Big Pharma' may be dissipating somewhat
 - Asian infrastructure investments remain secular trend



FY 2007 Market Growth Assumptions

<u>Segment</u>	FY2006		Growth FY2007	
	<u>Revenue</u>	<u>% of Total</u>	<u>Market</u>	<u>Segment</u>
EMS	\$3,418 M	69%	6%	8%
BAS	\$1,554 M	31%	8%	13%
New Agilent	\$4,972 M	100%	7%	10%

Guidance for FY 2007

First Quarter:

- Revenue range: \$1.25B to \$1.29B (+ 7% to 10% Y/Y)
- Non-GAAP EPS range: \$0.36 to \$0.40 (+24% to 38%)

Full-Year 2007:

- Comfortable with current range of analysts' estimates for revenues and non-GAAP EPS
- Assume \$1B shares repurchased ratably throughout 2007
- Tax rate: Non-GAAP @ 25%
 - GAAP @ 17% +/- 2pts
- Depreciation & Amortization: approx. \$175M
- Capital spending: approx. \$150M
- Free cash flow from operations: \$750M - \$850M



Agilent Growth and Volatility

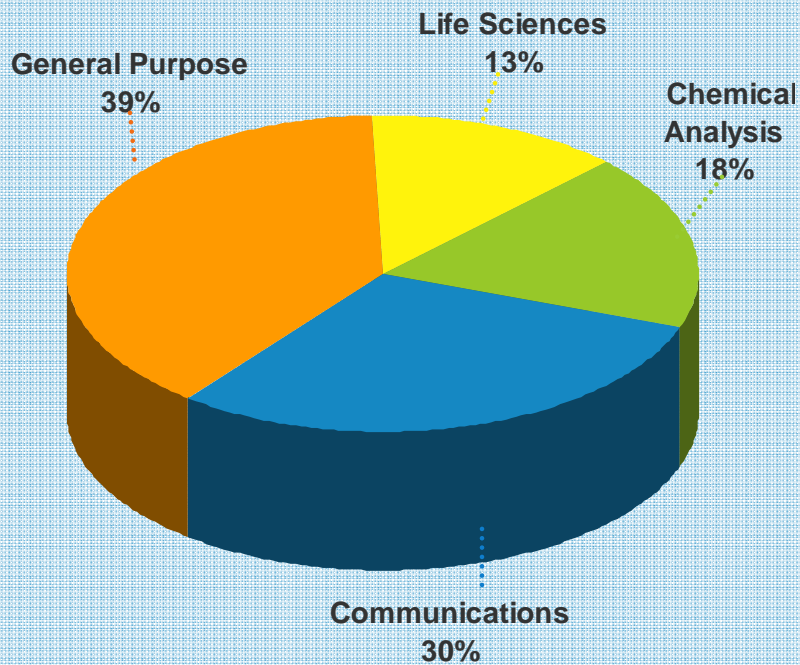
Positioned for higher growth with lower volatility

	CAGR 1995 - 2005	Annualized Volatility
Diversified Technology Company (Semi, Semi-Test, Electronic & Bio-Analytical Measurement)	5%	11%
Premier Measurement Company (Electronic & Bio-Analytical)	6%	4%

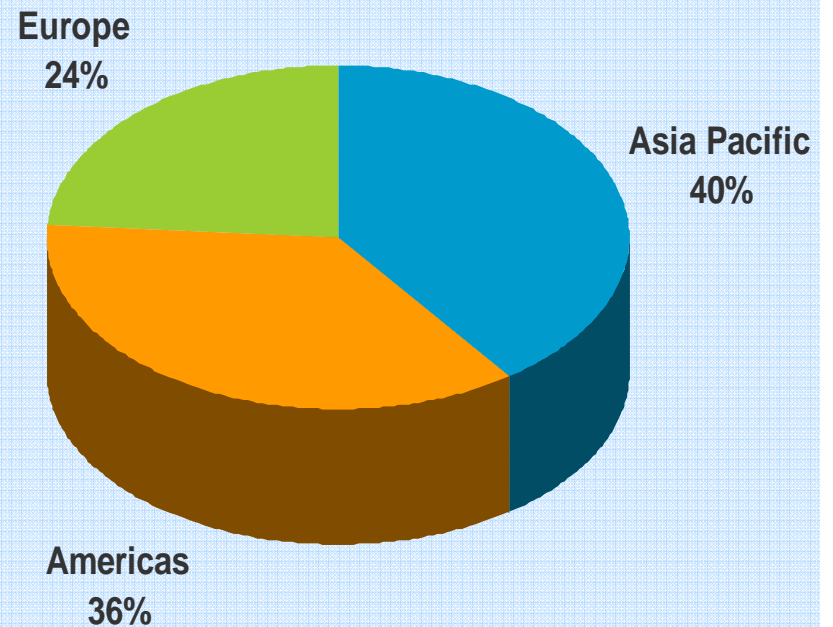
Agilent Revenue Distribution

FY06 by market and geography

Revenue by market



Revenue by geography



Note: ~ 37K customers, top 25 ~ 25% of revenues, none > 2%

New Agilent Cyclical Operating Model

Market Cycle Growth	Trough 0%	Cycle Avg. 6%	Peak >10%
Operating Margin	9%	14%	20%
Gross Margin	52%	54%	57%
R&D	14%	12%	11%
SG&A	29%	28%	26%
ROIC	13%	21%	35%

Agilent Operating Performance by Segment*

	2004	2005	2006	2007	2008
Electronic Measurement					
Revenues	3,225	3,265	3,418	3,707	4,040
% Change	17%	1%	5%	8%	9%
Operating Profits	279	360	477	586	686
Margin, %	9%	11%	14%	16%	17%
ROIC, %	9%	16%	23%	29%	34%
Bio-Analytical Measurement					
Revenues	1,333	1,421	1,554	1,755	1,948
% Change	12%	7%	9%	13%	11%
Operating Profits	186	197	240	338	400
Margin, %	14%	14%	15%	19%	21%
ROIC, %	21%	29%	28%	33%	36%
New Agilent					
Revenues	4,558	4,685	4,970	5,461	5,988
% Change	16%	3%	6%	10%	10%
Operating Profits	465	560	730	924	1,086
Margin, %	10.2%	12.0%	14.7%	16.9%	18.1%
ROIC, %	12%	18%	25%	31%	34%
* Not Company Guidance					

Agilent 2007 to 2008 Cash Forecast*

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating Activities					
Earnings	59	190	1,443	865	999
Depreciation & Amort.	212	180	174	176	170
Working Capital	96	78	11	(154)	11
Comp & Benefits	25	18	(64)	19	17
Other	(86)	190	(1,130)	80	67
Cash From Continuing Operations	306	656	434	986	1,264
Investing Activities					
Capital Expenditures	(79)	(128)	(185)	(150)	(190)
Acquisitions	(18)	(64)	(154)	(100)	(100)
Divestitures	-	30	3,482	-	-
Other, incl. Restricted Cash	20	3	(1,308)	-	-
Investing	(77)	(159)	1,835	(250)	(290)
Financing Activities					
Net Share Issuances	137	(92)	(3,688)	(875)	(875)
Change in Debt	1	(688)	1,475	-	-
Exchange & Other	14	(8)	(321)	-	-
Financing & Exchange	152	(788)	(2,534)	(875)	(875)
Cash from Continuing Operations	381	(291)	(265)	(139)	99
Cash from Discontinued Opns	327	202	301	-	-
Change in Cash	708	(89)	36	(139)	99
Cash & Equiv., EOP	2,315	2,251	2,262	2,123	2,222
Notes:					
Receivables DSOs	53	49	47	52	50
Inventory DOH	106	98	98	91	86
* Not Company Guidance					

Leveraging the Operating Model

- Today, as the world's premier measurement company, Agilent's strategic focus is to leverage, through higher sustainable growth, our robust operating model
 - With ROIC ~ 30%, more shareholder value created from higher sustainable, profitable growth than equivalent increases in returns
- Will not front load spending 'today' to achieve higher growth 'tomorrow'
- Do not need more resources to achieve higher growth
 - Investments in R&D and marketing comparable to faster growing peers
 - Need to reallocate spending to higher growth opportunities
- Will not relax ROIC-based valuation criteria to 'buy' revenues or growth

Sensitivity of Cash Generation to Growth

<u>2007 Growth Rate</u>	<u>ROIC</u>	<u>Free Cash</u>
10%	31%	835
7%	28%	755
4%	25%	665
1%	23%	595
-2%	20%	505

Variable COS, variable pay, and doubled asset velocity all provide enhanced flexibility and scalability to operating model

Update on Agilent Capitalization Strategy

- Agilent should be significantly cash flow positive from operations throughout the business cycle
- With \$2.3B at YE 06 and \$750M+ / yr free cash flow generation, Agilent has strength to return \$2B to owners and pursue strategic priorities that create shareholder value
- Strategic priorities:
 - Reinvest in businesses
 - Add “fold in” and “bolt-on” acquisitions that reinforce and potentially extend measurement footprint – where confident can create 20% ROIC on incremental investment
 - Offset dilution from options exercises
 - Return capital to owners via share repurchases and/or dividend
- Will consider larger acquisitions only if synergistic and convinced combination will create significant shareholder value
 - 20% ROIC by Year 3 is example of valuation criteria

Summary

- Agilent enters 2007 with a robust operating model and good top-line momentum
 - Comfortable with analyst estimates for 2007
- We have invested \$1.4 billion and 5 years to build an operating model consistent with the company's technology and market leadership
- Focus, as world's premier measurement company, is to leverage, through higher sustainable growth, our robust operating model
 - Prospects for above-market growth best in company's history
 - Completed restructuring and Phase I transformation
 - Enhanced customer focus and rich new product pipeline
 - Won't trash operating model chasing higher growth
- Will continue to return excess cash to owners through share repurchases and, possibly, a dividend



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Patrick J. Byrne
President
Electronic Measurement

Electronic Measurements

Total addressable market – significant opportunity for growth

Communications

Wireless



Wireline & Network Test



Electronic Design Automation



Total Addressable Market \$13B
Market Growth Rate 5%
Agilent Share (FY06) 11%

General Purpose

Aerospace & Defense



Computer & Semiconductor



Consumer Electronics



Total Addressable Market \$7.5B
Market Growth Rate 5%
Agilent Share (FY06) 26%



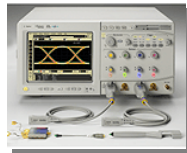
Wireline and Mobile Network Analysis



OSS network assurance



Digital Device Testing
RF/uW Simulation & Test



Services & Support

R&D, Design Validation, Manufacturing



Manufacturing Test Solutions



Electronic Measurements

Market environment

Communications

Wireless



Wireline & Network Test



Electronic Design Automation



Agilent Projected Growth: 9-10%
Projected Revenue Impact: \$500M
(FY07-FY09)

Key Growth Drivers:

- New Voice, Video, Data Network Services
- Mobile internet drives Growth in Protocol Test
- R&D and design verification spending
- Digital and Radio Frequency (RF) Convergence

General Purpose

Aerospace & Defense



Computer & Semiconductor



Consumer Electronics



Agilent Projected Growth: 7-8%
Projected Revenue Impact: \$500M
(FY07-FY09)

Key Growth Drivers:

- Recapitalization of Automated Test Equipment:
 - Aerospace & Defense moving to LXI Synthetic Instruments
 - Commercial moving to LXI and USB
- Homeland Security driving surveillance
- Growing R&D & Electronic manufacturing in Asia

Electronic Measurements

Core business growth: 5-6% (2007-2009)

Communications



General Purpose



Core Business Initiatives

- Provide customers with excellent service and applications for new technologies
- Platform and Technology refresh and expansion (RF, LXI, USB Data Acquisition)
- Grow share – specifically in Oscilloscopes and Spectrum Analysis
- Leverage our channel in growing economies such as Asia and Eastern Europe

Surveillance & A/D Automated Test Growth Initiative

Market Opportunity:

- \$800M addressable segment (within the total addressable \$7.5B general purpose test market), 6-7% Growth
- Agilent Share (FY06): 4%
- Key growth drivers:
 - Homeland security
 - Recapitalization of instrument test systems

Key Users:

- Government defense/security departments and prime contractors

Agilent's Focus:

- Leverage our technology and capabilities into Elint (Electronic Intelligence) and other Surveillance applications domestic and international markets
- Subsystem supplier into key programs

Recent News:



- *Agilent Acquires Acqiris*, a Leading Provider of High-Speed Digitizers and Analyzers.*
- *Volume Shipping of LXI Class A Certified Synthetic Instruments*
**not yet closed*

Communications Growth Initiative

Market Opportunity:

- \$3.8B addressable segment (within the total addressable \$13B communications market that includes communications test and EDA), 5% Growth
- Agilent Share (FY06): 12%
- Key growth drivers:
 - Increased protocol complexity and converged devices
 - Triple play service delivery over a converged IP network

Key Users:

- Cellular phone manufacturers and the related chip and software supply chain
- Equipment manufacturers and service providers who deliver the “triple play” of voice, video and high-speed Internet over a single access point

Agilent's Focus:

- New R&D solutions, including 3G real world test, wireless convergence, and application development
- Provide network measurement and service assurance solutions to enable the transition to the converged all IP-based network

Recent News:



- *Industry-First Triple Play Analyzer Helps Increase Market Share With Single Test Solution for IPTV, VoIP, and Data Services.*
- *Agilent Technologies and AT4 Wireless win joint WiMAX conformance test systems contract in Taiwan.*

Low Cost Instrument Growth Initiative

Market Opportunity:

- \$1.0B addressable segment (within the total addressable \$7.5B general purpose test market), 6-8% Growth
- Agilent Share (FY06): 9%
- Growth driver:
 - Electronic manufacturing growth, particularly in Asia

Key Users:

- Design validation, troubleshooting, and installation and maintenance in consumer electronics, education and electronic manufacturing industries

Agilent's Focus:

- Develop market driven broad product portfolio, leveraging our Asia supply chain for price-performance leadership
- Utilize an innovative distribution channel to reach a broad set of customers

Recent News:



- *Feature-rich handheld digital multi-meters and handheld oscilloscopes effectively meet quality-conscious, cost-sensitive customers*
- *Expansion of T&M Solutions to High-Speed, High-Volume USB Multifunction Data Acquisition Modules, Chassis.*

Nanotechnology Growth Initiative

Market Opportunity:

- \$1.3B addressable segment (within the total addressable \$7.5B general purpose test market), 8% Growth
- Agilent Share (FY06): 1%
- Growth driver:
 - Advanced research at Nano scale
 - Semiconductor defect analysis

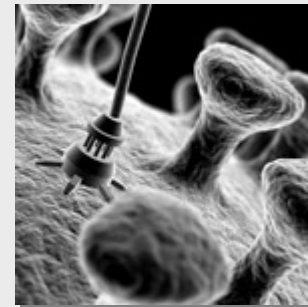
Key Users:

- Research Labs and R&D departments seeking the analysis and manipulation of matter at the molecular and nano scale

Agilent's Focus:

- Leverage and expand from current base of atomic force microscopy, using acquisitions and Agilent measurement capabilities and Agilent Labs technology to fill portfolio and accelerate growth
- Use Agilent commercialization capabilities and channel breadth to expand the business as technologies transition from research to deployment

Recent News:



- *Agilent Unveils New AFM System Combining Atomic Resolution with Versatility, Ease of Use, Value*
- *Agilent Technologies Brings Parametric Test to New Market, Allows Manufacturers to Accelerate Yield Ramp-Up Phase*

Measure. Growth

- 3x the next largest competitor; strong financial foundation
- Leadership in customer satisfaction and loyalty
- Strong new product portfolio
- Strategic focus on rapidly growing served markets through selected growth initiatives
- Expect increased rate of acquisitions





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Chris van Ingen
President
Bio-Analytical Measurement

Bio-Analytical Measurement

\$20 billion total addressable market... ample opportunity for growth

Life Sciences

Pharma, Biotech,
CRO, CMO



Academia &
Government



Clinical
Diagnostics



Addressable Market: \$14B
Market Growth Rate: 7-9%
Agilent Share (FY06): 5%

Chemical Analysis

Petrochemical
QA/QC



Environmental
Testing



Food
Testing



Forensics
Testing



Addressable Market: \$6B
Market Growth Rate: 5-7%
Agilent Share (FY06): 15%



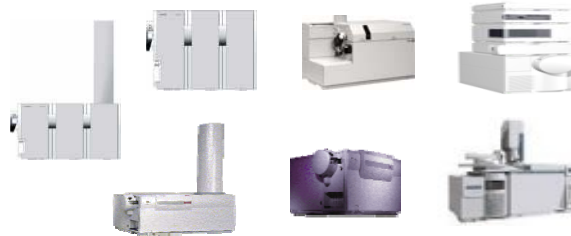
Life Sciences Tools



Consumables



Spectroscopy Tools



Separations Tools



Services & Informatics



Bio-Analytical Measurement

Market environment

Life Sciences

Pharma, Biotech,
CRO, CMO



Academia &
Government



Diagnostics



Agilent Projected Growth: 12-15%
Projected Revenue Impact: \$400 million
(FY07-FY09)

Key Growth Drivers:

- Life Science Applications – Genomics, Metabolomics, Proteomics
- Generic and Biologic Drug Market Expansion
- New Platforms in Multi-sector Mass Spectrometry
- Clinical and Molecular Diagnostics

Chemical Analysis

Petrochemical
QA/QC



Environmental
Testing



Food
Testing



Forensics
Testing



Agilent Projected Growth: 7-9%
Projected Revenue Impact: \$250 million
(FY07-FY09)

Key Growth Drivers:

- New Regulations – Environmental, Food, Forensics Testing
- GDP Growth – China, India, Eastern Europe
- Installed Base – Replacements & After Market
- Productivity Improvements of Lab Operations

Bio-Analytical Measurement

Core business growth: 7-9 % (2007-2009)

Core Business Systems Initiatives



- Refresh and expand core platforms
- New automation and informatics offerings
- Strengthen Asia market leadership

After-Market Initiatives



- Expand core consumables portfolio
- Build market leadership in HPLC columns & consumables
- Refresh and simplify core services
- Expand Lab-wide services portfolio

Microarray Growth Opportunity

Market Opportunity:

- \$800M addressable segment (within the total addressable \$14B life sciences market), 8-10% growth
- Agilent Share (FY06): 8%
- Key growth drivers:
 - Rapid expansion of disease understanding
 - High cost of drug testing and failures

Key Users:

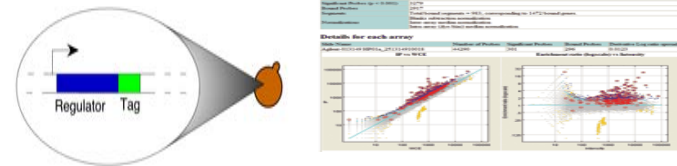
- Genetic researchers in Pharma, Biotech, Academia and Government institutions

Agilent's Focus:

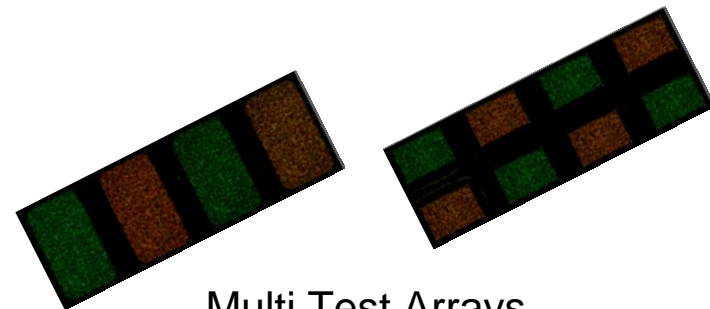
- New applications using our capabilities in sensitivity, quality, and customization
- Lower cost per sample with high-density, multi-test arrays



Comparative Genomic Hybridization



Location Analysis



Multi Test Arrays

LC/MS Growth Opportunity

Market Opportunity:

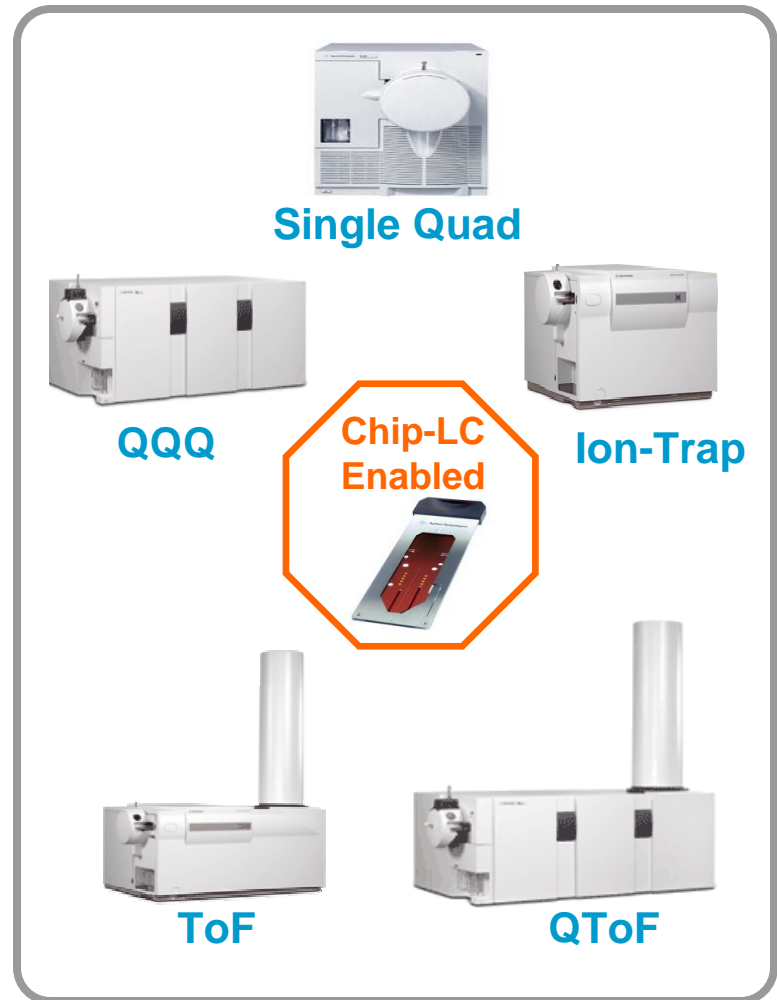
- \$1.4B addressable segment (within the \$20B life sciences and chemical analysis total addressable market), 7-9% growth
- Agilent Share (FY06): 8%
- Key growth drivers:
 - Rapid advancements in “omics” complexity in Life Sciences research
 - New regulations in environmental and food testing markets

Key Users:

- Researchers and analysts in Life Science and Chemical Analysis markets

Agilent’s Focus:

- Complete expansion of QQQ & QToF platforms
- Expand high value applications including Chip-LC
- Drive new “Value Point” to expand the market to new users (Biologists)



Diagnostics (Dx) Growth Opportunity

Market Opportunity:

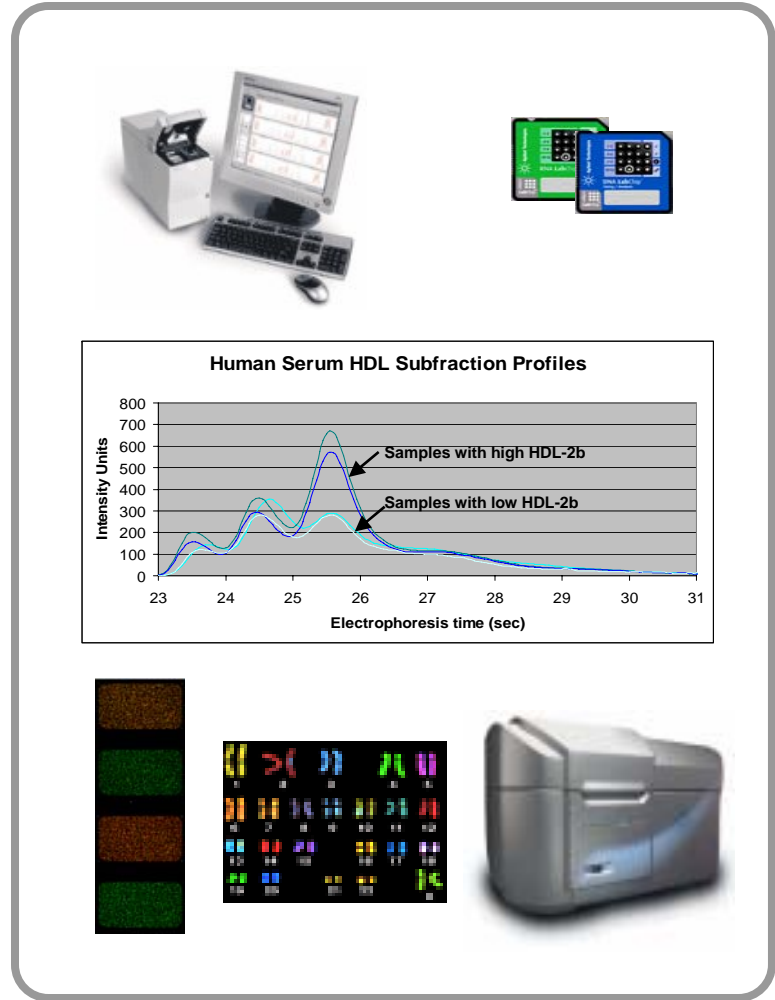
- Total addressable market expansion of \$6 billion, >10% growth
- Agilent Share (FY06): 0%
- Key growth drivers:
 - Restatement of Dx market through advancement of molecular technologies

Key Users:

- Reference labs and hospitals engaged in human diagnostics.

Agilent's Focus:

- Leverage Microfluidics and Microarray technologies
- Initial Application Areas: Heart disease (HDL/LDL Testing) and Cancer
- Expand applications portfolio to increase menu on targeted platforms



Human Serum HDL Subfraction Profiles

Intensity Units

Electrophoresis time (sec)

Samples with high HDL-2b

Samples with low HDL-2b

Laboratory Informatics Growth Opportunity

Market Opportunity:

- \$600M addressable segment (within the \$20B life sciences and chemical analysis total addressable market), 5-7% growth
- Agilent Share (FY06): 12%
- Growth drivers:
 - regulatory requirements and rapidly expanding data sets

Target Users:

- Life Science and Chemical Analysis

Agilent's Focus:

- Simplify product offering and customer's experience by converging SW platforms
- Expand applications portfolio to increase value to customers
- Expand Informatics platform capabilities to create an ERP for the lab

A fully integrated laboratory system that links people, processes and data, providing all information needed for decision making with just a click or two



Measure. Growth

- Solid foundation in the Chemical Analysis and Life Sciences Markets
- Leadership in customer satisfaction and loyalty
- Strong new product portfolio
- Consistent strong financial performance





2006 Analyst Meeting

Measure. Growth

December 12, 2006

William P. (Bill) Sullivan
President and
Chief Executive Officer

Measure. Growth

Strategically focused on what we do best

- We are committed to being the measurement solutions partner to every engineer, service provider, and scientist in the bio-analytical and electronics markets
- We are going after a \$40 billion market, with the right strategy and the right leadership in place to drive above market growth
- Agilent's operating model provides powerful leverage for sustainable, profitable growth



IGILENT TECHNOLOGIES, INC
RECONCILIATION FROM GAAP TO NON-GAAP
NET INCOME
THREE MONTHS ENDED OCTOBER 31, 2005
(Unaudited)

(In millions, except per share amounts)

GAAP	Non-GAAP Adjustments												Non-GAAP New Agilent		
	Restructuring and Asset Impairment	Business Disposal Infrastructure Reduction Costs	Equity in Income of Lumileds	Investment Impairments	Convertible Debt Repurchase	Gain on Sale of Atomic Clock	CNS Charge	Unallocated SPG Corporate Charges	Unallocated STS Corporate Charges	Other, Principally Other Intangibles	SPG & STS GAAP Discontinued Operations	STS Segment Results		Adjustment for Taxes	
Orders	\$ 1,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,304
Net revenue	\$ 1,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,248
Costs and expenses:															
Cost of products and services	613	(18)	-	-	-	-	(8)	(9)	(4)	(3)	-	-	-	-	571
Research and development	168	(10)	-	-	-	-	-	(9)	(3)	(3)	-	-	-	143	
Selling, general and administrative	409	(35)	(10)	-	-	-	-	(16)	(10)	-	-	-	-	338	
Total costs and expenses	1,190	(63)	(10)	-	-	-	(8)	(34)	(17)	(6)	-	-	-	1,052	
Income from operations	58	63	10	-	-	-	8	34	17	6	-	-	-	196	
Other income (expense), net	15	-	-	-	8	6	(7)	(2)	(2)	(2)	-	-	-	16	
Income before taxes	73	63	10	-	8	6	(7)	8	32	15	4	-	-	212	
Tax Provision	101	-	-	-	-	-	-	-	-	1	-	-	(37)	65	
Equity in net income of unconsolidated affiliate (including gain) - Lumileds	6	-	-	(6)	-	-	-	-	-	-	-	-	-	-	
Income (loss) from continuing operations	(22)	63	10	(6)	8	6	(7)	8	32	14	4	-	37	147	
Income from discontinued operations of our semiconductor products business	42	-	-	-	-	-	-	-	-	-	(42)	-	-	-	
Income from discontinued operations of our semiconductor test solutions business	5	-	-	-	-	-	-	-	-	-	(5)	-	-	-	
STS Segment Results	-	-	-	-	-	-	-	-	-	-	-	(2)	-	(2)	
Net income (loss)	\$ 25	\$ 63	\$ 10	\$ (6)	\$ 8	\$ 6	\$ (7)	\$ 8	\$ 32	\$ 14	\$ 4	\$ (47)	\$ (2)	\$ 37	\$ 145

Net income per share - Basic and Diluted:

Basic:																
Income (loss) from continuing operations	\$	(0.04)													\$	0.29
Net income (loss)	\$	0.05													\$	0.29
Diluted:																
Income (loss) from continuing operations	\$	(0.04)													\$	0.29
Net income (loss)	\$	0.05													\$	0.28

Weighted average shares used in computing net income per share:

Basic	500	500
Diluted	512	512

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

(In millions, except per share amounts)	Non-GAAP Adjustments														Non-GAAP New Agilent			
	GAAP	Restructuring and Asset Impairment	Business Disposal Infrastructure Reduction Costs	Gain on Sale of Assets and Investments	Equity in Income of Lumileds	Donation to Agilent Foundation	Investment Impairments	Convertible Debt Repurchase	Gain on Sale of Atomic Clock	CNS Charge	Unallocated SPG Corporate Charges	Unallocated STS Corporate Charges	Other, Primarily Other Intangibles	SPG & STS GAAP Discontinued Operations			STS Segment Results	Adjustment for Taxes
Orders	\$ 4,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,773	
Net revenue	\$ 4,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ (1)	\$ -	\$ -	\$ -	\$ 4,685	3% Change Year Over Year
Costs and expenses:																		
Cost of products and services	2,321	(35)	-	10	-	-	-	-	-	(8)	(37)	(18)	(15)	-	-	-	2,218	52.7% Gross Margin
Research and development	850	(19)	-	-	-	-	-	-	-	(32)	(15)	-	-	-	-	-	584	12.5% As a % of Revenue
Selling, general and administrative	1,458	(53)	(10)	-	-	(10)	-	-	-	(65)	(53)	(4)	-	-	-	-	1,323	28.2% As a % of Revenue
Total costs and expenses	4,469	(107)	(10)	10	-	(10)	-	-	-	(8)	(134)	(66)	(19)	-	-	-	4,125	
Income from operations	216	107	10	(10)	-	10	-	-	-	8	134	67	18	-	-	-	560	12.0% Operating Margin
Other income (expense), net	75	-	-	(7)	-	-	8	6	(7)	-	(2)	(5)	(1)	-	-	-	67	
Income before taxes	291	107	10	(17)	-	10	8	6	(7)	8	132	62	17	-	-	-	627	
Tax Provision	143	-	-	-	-	-	-	-	-	-	-	35	-	-	-	(14)	164	
Equity in net income of unconsolidated affiliate (including gain) - Lumileds	42	-	-	-	(42)	-	-	-	-	-	-	-	-	-	-	-	-	
Income (loss) from continuing operations	190	107	10	(17)	(42)	10	8	6	(7)	8	132	27	17	-	-	14	463	
Income from discontinued operations of our semiconductor products business	186	-	-	-	-	-	-	-	-	-	-	-	-	(186)	-	-	-	
Income from discontinued operations of our semiconductor test solutions business	(49)	-	-	-	-	-	-	-	-	-	-	-	-	49	-	-	-	
STS Segment Results	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(68)	-	(68)	
Net Income (loss)	\$ 327	\$ 107	\$ 10	\$ (17)	\$ (42)	\$ 10	\$ 8	\$ 6	\$ (7)	\$ 8	\$ 132	\$ 27	\$ 17	\$ (137)	\$ (68)	\$ 14	\$ 395	
Net income per share - Basic and Diluted:																		
Basic:																		
Income from continuing operations	\$ 0.38																\$ 0.94	
Net income	\$ 0.66																\$ 0.80	
Diluted:																		
Income from continuing operations	\$ 0.38																\$ 0.93	
Net income	\$ 0.65																\$ 0.79	
Weighted average shares used in computing net income per share:																		
Basic	494																494	
Diluted	500																500	

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

(In millions, except per share amounts)

		Non-GAAP Adjustments												
		GAAP	Restructuring and Asset Impairment	Business Disposal Infrastructure Reduction Costs	Gain on Sale and Equity in Income of Lumileds	Share-Based Compensation Expense	Unallocated SPG Corporate Charges	Unallocated STS Corporate Charges	Other, Principally Other Intangibles	SPG & STS GAAP Discontinued Operations	STS Segment Results	Adjustment for Taxes	Non-GAAP New Agilent	
Orders	Change Year Over Year	8%	\$ 1,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,177	8% Change Year Over Year
Net revenue	Change Year Over Year	3%	\$ 1,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,167	3% Change Year Over Year
Costs and expenses:														
Cost of products and services	Gross Margin	51.6%	565	(9)	-	(7)	(4)	(4)	(4)	-	-	-	537	54.0% Gross Margin
Research and development	As a % of Revenue	14.1%	165	(4)	-	(6)	(4)	(3)	(1)	-	-	-	147	12.6% As a % of Revenue
Selling, general and administrative	As a % of Revenue	34.4%	402	(21)	(10)	(19)	(5)	(11)	(1)	-	-	-	335	28.7% As a % of Revenue
Total costs and expenses			1,132	(34)	(10)	(32)	(13)	(18)	(6)	-	-	-	1,019	
Income from operations	Operating Margin	3.0%	35	34	10	-	32	13	18	6	-	-	148	12.7% Operating Margin
Other income (expense), net			48	-	-	-	-	(1)	(7)	-	-	-	40	
Income before taxes			83	34	10	-	32	13	17	(1)	-	-	188	
Tax Provision	Tax rate (incl. Valuation Allowance)	12.0%	10	-	-	-	-	-	-	-	-	36	46	Tax rate (incl. Valuation Allowance)
Equity in net income of unconsolidated affiliate (including gain) - Lumileds			901	-	-	(901)	-	-	-	-	-	-	-	
Income (loss) from continuing operations			974	34	10	(901)	32	13	17	(1)	-	(36)	142	
Income from discontinued operations of our semiconductor products business			1,837	-	-	-	-	-	-	(1,837)	-	-	-	
Income from discontinued operations of our semiconductor test solutions business			5	-	-	-	-	-	-	(5)	-	-	-	
STS Segment Results			-	-	-	-	-	-	-	-	12	-	12	
Net income (loss)			\$ 2,816	\$ 34	\$ 10	\$ (901)	\$ 32	\$ 13	\$ 17	\$ (1)	\$ (1,842)	\$ 12	\$ (36)	\$ 154

Net income per share - Basic and Diluted:

Basic:														
Income from continuing operations			\$ 2.06										\$ 0.30	
Net income			\$ 5.95										\$ 0.33	
Diluted:														
Income from continuing operations			\$ 2.02										\$ 0.29	
Net income			\$ 5.83										\$ 0.32	

Weighted average shares used in computing net income per share:

Basic	473	473
Diluted	483	483

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
NET INCOME
THREE MONTHS ENDED APRIL 30, 2006
(Unaudited)

(In millions, except per share amounts)

		Non-GAAP Adjustments											
		GAAP	Restructuring and Asset Impairment	Business Disposal Infrastructure Reduction Costs	Gain On Sale of Assets	Share-Based Compensation Expense	Unallocated STS Corporate Charges	Other, Principally Other Intangibles	SPG & STS GAAP Discontinued Operations	STS Segment Results	Adjustment for Taxes	Non-GAAP New Agilent	
Orders	Change Year Over Year	5%	\$ 1,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,278	5% Change Year Over Year
Net revenue	Change Year Over Year	5%	\$ 1,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,239	5% Change Year Over Year
Costs and expenses:													
Cost of products and services	Gross Margin	51.7%	598	(7)	(4)	-	(8)	(2)	(5)	-	-	572	53.8% Gross Margin
Research and development	As a % of Revenue	13.9%	172	(12)	(1)	-	(4)	(1)	(1)	-	-	153	12.3% As a % of Revenue
Selling, general and administrative	As a % of Revenue	34.5%	427	(42)	(15)	-	(10)	(10)	(3)	-	-	347	28.0% As a % of Revenue
Gain on sale of San Jose site	As a % of Revenue	-4.5%	(56)	-	-	56	-	-	-	-	-	-	
Total costs and expenses			1,141	(61)	(20)	56	(22)	(13)	(9)	-	-	1,072	
Income from operations	Operating Margin	7.9%	98	61	20	(56)	22	13	9	-	-	167	13.5% Operating Margin
Other income (expense), net			46	-	-	-	-	1	(6)	-	-	41	
Income before taxes			144	61	20	(56)	22	14	3	-	-	208	
Tax Provision	Tax rate (incl. Valuation Allowance)	16.0%	23	-	-	-	-	5	-	-	23	51	Tax rate (incl. Valuation 25% Allowance)
Income (loss) from continuing operations			121	61	20	(56)	22	9	3	-	(23)	157	
Income (loss) from discontinued operations of our semiconductor products business			(16)	-	-	-	-	-	16	-	-	-	
Income (loss) from discontinued operations of our semiconductor test solutions business			10	-	-	-	-	-	(10)	-	-	-	
STS Segment Results			-	-	-	-	-	-	-	21	-	21	
Net income (loss)			\$ 115	\$ 61	\$ 20	\$ (56)	\$ 22	\$ 9	\$ 3	\$ 6	\$ (23)	\$ 178	

Net income per share - Basic and Diluted:

Basic:													
Income from continuing operations		\$	0.28									\$	0.37
Net income		\$	0.27									\$	0.41
Diluted:													
Income from continuing operations		\$	0.28									\$	0.37
Net income		\$	0.26									\$	0.40

Weighted average shares used in computing net income per share:

Basic	430	430
Diluted	442	442

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

AILENTECHNOLOGIES, INC
RECONCILIATION FROM GAAP TO NON-GAAP
NET INCOME
THREE MONTHS ENDED JULY 31, 2006
(Unaudited)

(In millions, except per share amounts)

		Non-GAAP Adjustments											Non-GAAP		
GAAP		Restructuring and Asset Impairment	Business Disposal Infrastructure Reduction Costs	Gain on Sale of Palo Alto Site	Share-Based Compensation Expense	Income from Foreign Sales Corporation Tax Study	Retirement Plans Curtailment Gains	Unallocated STS Corporate Charges	Other, Principally Other Intangibles	SPG & STS GAAP Discontinued Operations	STS Segment Results	Adjustment for Taxes	Non-GAAP New Agilent		
Orders	Change Year Over Year	6%	\$ 1,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,225	6% Change Year Over Year	
Net revenue	Change Year Over Year	10%	\$ 1,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,239	10% Change Year Over Year	
Costs and expenses:															
Cost of products and services	Gross Margin	55.4%	553	(7)	(3)	-	(6)	-	10	(2)	(6)	-	-	539	56.5% Gross Margin
Research and development	As a % of Revenue	13.1%	162	(6)	(1)	-	(3)	-	5	(2)	-	-	-	155	12.5% As a % of Revenue
Selling, general and administrative	As a % of Revenue	32.3%	407	(23)	(21)	-	(10)	-	3	7	(4)	-	-	359	29.0% As a % of Revenue
Gain on sale of Palo Alto site	As a % of Revenue	-5.2%	(65)	-	-	65	-	-	-	-	-	-	-	-	0.0% As a % of Revenue
Total costs and expenses			1,057	(36)	(25)	65	(19)	-	18	3	(10)	-	-	1,053	
Income from operations	Operating Margin	14.7%	182	36	25	(65)	19	-	(18)	(3)	10	-	-	186	15.0% Operating Margin
Other income (expense), net			45	-	-	-	-	(13)	-	2	(2)	-	-	32	
Income before taxes			227	36	25	(65)	19	(13)	(18)	(1)	8	-	-	218	
Tax Provision	Tax rate (incl. Valuation Allowance)	4.8%	11	-	-	-	-	-	-	(6)	-	-	-	47	Tax rate (incl. Valuation Allowance) 23.9%
Income (loss) from continuing operations			216	36	25	(65)	19	(13)	(18)	5	8	-	-	165	
Income (loss) from discontinued operations of our semiconductor products business			(6)	-	-	-	-	-	-	-	-	6	-	-	
Income (loss) from discontinued operations of our semiconductor test solutions business			17	-	-	-	-	-	-	-	-	(17)	-	-	
STS Segment Results			-	-	-	-	-	-	-	-	-	29	-	29	
Net income (loss)			\$ 227	\$ 36	\$ 25	\$ (65)	\$ 19	\$ (13)	\$ (18)	\$ 5	\$ 8	\$ (11)	\$ 29	\$ (47)	\$ 195

Net Income per share - Basic and Diluted:

Basic:															
Income from continuing operations			\$	0.53										\$	0.40
Net income			\$	0.55										\$	0.47
Diluted:															
Income from continuing operations			\$	0.51										\$	0.39
Net income			\$	0.54										\$	0.46

Weighted average shares used in computing net income per share:

Basic	412	412
Diluted	422	422

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

(In millions, except per share amounts)

		Non-GAAP Adjustments											New Agilent Non-GAAP		
GAAP		Restructuring and Asset Impairment	Business Disposal Infrastructure Reduction Costs	Income from Foreign Sales Corporation (FSC) Study	Share-Based Compensation Expense	Excess Software Amortization	Retirement Plans Curtailment Gains	Unallocated SPG Corporate Charges	Unallocated STS Corporate Charges	Other, Principally Other Intangibles	SPG & STS GAAP Discontinued Operations	STS Segment Results	Adjustment for Taxes	New Agilent Non-GAAP	
Orders	Change Year Over Year	21%	\$ 1,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,397	21% Change Year Over Year
Net revenue	Change Year Over Year	18%	\$ 1,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,325	6% Change Year Over Year
Costs and expenses:															
Cost of products and services	Gross Margin	54.9%	597	(5)	-	(6)	-	2	-	(3)	(5)	-	-	580	56.2% Gross Margin
Research and development	As a % of Revenue	11.7%	155	(2)	-	(4)	-	1	-	(2)	1	-	-	149	11.2% As a % of Revenue
Selling, general and administrative	As a % of Revenue	32.0%	424	(32)	(8)	(11)	(5)	2	-	(3)	-	-	-	387	27.7% As a % of Revenue
Gain on sale of Palo Alto site	As a % of Revenue	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	0.0% As a % of Revenue
Total costs and expenses			1,176	(39)	(8)	(21)	(5)	5	-	(8)	(4)	-	-	1,086	
Income from operations	Operating Margin	11.2%	149	39	8	21	5	(5)	8	4	-	-	-	229	17.3% Operating Margin
Other income (expense), net			27	-	(2)	-	-	1	3	(6)	-	-	-	23	
Income before taxes			176	39	8	(2)	21	5	(5)	11	(2)	-	-	252	
Tax Provision	Tax rate (incl. Valuation Allowance)	25.0%	44	-	-	-	-	-	-	-	-	-	17	61	Tax rate (incl. Valuation Allowance) 24.2%
Income (loss) from continuing operations			132	39	8	(2)	21	5	(5)	11	(2)	-	(17)	191	
Income (loss) from discontinued operations of our semiconductor products business			(1)	-	-	-	-	-	-	-	1	-	-	-	
Income (loss) from discontinued operations of our semiconductor test solutions business			21	-	-	-	-	-	-	-	(21)	-	-	-	
STS Segment Results			-	-	-	-	-	-	-	-	-	24	-	24	
Net income (loss)			\$ 152	\$ 39	\$ 8	\$ (2)	\$ 21	\$ 5	\$ (5)	\$ 1	\$ (2)	\$ (20)	\$ 24	\$ (17)	\$ 215

Net Income per share - Basic and Diluted:			
Basic:			
Income from continuing operations	\$	0.32	\$ 0.47
Net income	\$	0.37	\$ 0.53
Diluted:			
Income from continuing operations	\$	0.32	\$ 0.46
Net income	\$	0.36	\$ 0.52

Weighted average shares used in computing net income per share:

Basic	409	409
Diluted	417	417

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
NET INCOME
TWELVE MONTHS ENDED OCTOBER 31, 2006
(Unaudited)

		GAAP	Non-GAAP Adjustments											Non-GAAP New Agilent					
			Restructuring and Asset Impairment	Business Disposal Infrastructure Reduction Costs	Gain on Sale of Assets	Gain on Sale and Equity in Income of Limiteds	Share-Based Compensation Expense	Excess Software Amortization	Retirement Plans Curtailment Gains	Income from Foreign Sales Corporation Tax Study	Unallocated SPG Corporate Charges	Unallocated STS Corporate Charges	Other, Principally Other Intangibles		SPG & STS GAAP Discontinued Operations	STS Segment Results	Adjustment for Taxes		
(In millions, except per share amounts)																			
Orders	Change Year Over Year	340%	\$ 5,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,075	340% Change Year Over Year
Net revenue	Change Year Over Year	342%	\$ 4,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,970	6% Change Year Over Year
Costs and expenses:																			
Cost of products and services	Gross Margin	53.4%	2,314	(26)	(7)	-	(27)	-	12	-	(4)	(11)	(20)	-	-	-	-	2,229	55.2% Gross Margin
Research and development	As a % of Revenue	13.2%	654	(24)	(2)	-	(17)	-	6	-	(4)	(8)	(1)	-	-	-	-	604	12.2% As a % of Revenue
Selling, general and administrative	As a % of Revenue	33.4%	1,669	(118)	(54)	-	(50)	(5)	5	-	(5)	(18)	(7)	-	-	-	-	1,407	28.3% As a % of Revenue
Gain on sale of Palo Alto site	As a % of Revenue	-2.4%	(121)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,407	0.0% As a % of Revenue
Total costs and expenses			4,568	(170)	(63)	(121)	(94)	(5)	(23)	(15)	(14)	(42)	(16)	(1,867)	-	-	-	4,242	
Income from operations	Operating Margin	9.3%	464	170	63	(121)	94	5	(23)	-	13	37	28	-	-	-	-	730	14.7% Operating Margin
Other income (expense), net			166	-	-	-	-	-	-	(15)	1	5	(21)	-	-	-	-	136	
Income before taxes			630	170	63	(121)	94	5	(23)	(15)	14	42	7	-	-	-	-	866	
Tax Provision	Tax rate (incl. Valuation Allowance)	14.0%	88	-	-	-	-	-	-	-	-	(9)	-	-	-	-	131	210	Tax rate (incl. Valuation Allowance)
Equity in net income of unconsolidated affiliate (including gain) - Limiteds			901	-	-	-	(901)	-	-	-	-	-	-	-	-	-	-	-	
Income (loss) from continuing operations			1,443	170	63	(121)	(901)	94	5	(23)	(15)	14	42	16	-	-	(131)	656	
Income (loss) from discontinued operations of our semiconductor products business			1,814	-	-	-	-	-	-	-	-	-	-	(1,814)	-	-	-	-	
Income (loss) from discontinued operations of our semiconductor test solutions business			53	-	-	-	-	-	-	-	-	-	-	(53)	-	-	-	-	
STS Segment Results			-	-	-	-	-	-	-	-	-	-	-	-	-	-	86	86	
Net income (loss)			\$ 3,310	\$ 170	\$ 63	\$ (121)	\$ (901)	\$ 94	\$ 5	\$ (23)	\$ (15)	\$ 14	\$ 42	\$ 16	\$ (1,867)	\$ -	\$ (131)	\$ 742	
Net income per share - Basic and Diluted:																			
Basic:																			
Income from continuing operations			\$ 3.35															\$ 1.52	
Net income			\$ 7.68															\$ 1.72	
Diluted:																			
Income from continuing operations			\$ 3.27															\$ 1.49	
Net income			\$ 7.51															\$ 1.68	
Weighted average shares used in computing net income per share:																			
Basic			431															431	
Diluted			441															441	

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

AGILENT TECHNOLOGIES, INC.
Reconciliation of ROIC
(In millions)
(Unaudited)

	New Agilent					New Agilent			EMS			BAS		
	Q4'05	Q1'06	Q2'06	Q3'06	Q4'06	FY04	FY05	FY06	FY04	FY05	FY06	FY04	FY05	FY06
Numerator:														
Adjusted income from operations	\$ 196	\$ 148	\$ 167	\$ 186	\$ 229	\$ 465	\$ 560	\$ 731	\$ 279	\$ 360	\$ 478	\$ 186	\$ 197	\$ 240
Less:														
Taxes and Other (income)/expense	58	29	32	40	60	138	127	162	82	60	99	73	48	66
Segment return	138	119	135	146	169 ^(a)	\$ 327	\$ 433	\$ 569	\$ 197	\$ 300	\$ 379	\$ 113	\$ 149	\$ 174
Segment return annualized	\$ 552	\$ 476	\$ 540	\$ 584	\$ 676									
Denominator:														
Segment assets ^(b)	\$ 2,847	\$ 3,069	\$ 3,145	\$ 3,099	\$ 3,105	\$ 3,192	\$ 2,847	\$ 3,105	\$ 2,513	\$ 2,009	\$ 2,156	\$ 732	\$ 690	\$ 922
Less:														
Net current liabilities ^(c)	\$ 827	\$ 771	\$ 815	\$ 745	\$ 824	\$ 778	\$ 827	\$ 824	\$ 455	\$ 492	\$ 575	\$ 181	\$ 208	\$ 250
Invested capital	\$ 2,020	\$ 2,298	\$ 2,330	\$ 2,354	\$ 2,281	\$ 2,414	\$ 2,020	\$ 2,281	\$ 2,058	\$ 1,517	\$ 1,581	\$ 551	\$ 482	\$ 672
Average invested capital	\$ 2,180	\$ 2,159	\$ 2,315	\$ 2,343	\$ 2,318	\$ 2,700	\$ 2,345	\$ 2,257	\$ 2,143	\$ 1,837	\$ 1,619	\$ 537	\$ 520	\$ 620
ROIC	25%	22%	23%	25%	29%	12%	18%	25%	9%	16%	23%	21%	29%	28%

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

^(a) New Agilent return is equal to adjusted net income from continuing operations minus net interest income after tax. Please see "Adjusted Net Income and EPS Reconciliations" for a reconciliation of adjusted net income from continuing operations to GAAP income from continuing operations.

^(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, other accrued liabilities and allocated corporate liabilities.

Historical amounts were reclassified to conform with current period presentation.

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

AGILENT TECHNOLOGIES, INC.
RECONCILIATION OF DAYS ON HAND (DOH)
PRELIMINARY

(In millions)

	Q4 '05	Q1'06	Q2'06	Q3 '06	Q4 '06
GAAP					
Costs of Products and Services	613	565	598	553	599
Net Inventory	612	626	609	626	627
GAAP Inventory Days	90	100	92	102	94
Non-GAAP					
Costs of Products and Services	613	565	598	553	599
Amortization of Intangibles	(3)	(4)	(5)	(6)	(5)
Restructuring and Asset Impairment	(18)	(9)	(7)	(7)	(5)
Stock based comp & pension related	-	(7)	(8)	4	(4)
Unallocated SPG/STS, business disposal & asset sale gains	(13)	(8)	(6)	(5)	(2)
Net Inventory (Charges)/Sales of previously written down inventory	(19)	(10)	(6)	(2)	(10)
Adjusted Costs of Products and Services without STS	560	527	566	537	573
Net Inventory without STS	612	626	609	626	627
Non-GAAP Inventory Days without STS	98	107	97	105	98

Non-GAAP DOH Formula: $(\text{Quarter-end net inventory} * 90 \text{ Days}) / (\text{Current COGS} - \text{Inventory Charges} - \text{Non-GAAP Adjustments})$

GAAP DOH Formula: $(\text{Quarter-end net inventory} * 90 \text{ Days}) / (\text{Current COGS})$

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

**PRELIMINARY
(UNAUDITED)**

**Reconciliation of Total Revenue to Segment Revenue
(in millions)**

	<u>FY2006</u>	<u>% of Total</u>		<u>FY2005</u>	<u>% of Total</u>		<u>FY2004</u>	<u>% of Total</u>	
EMS revenue	3,418	69%	Change year 5% year	3,265	70%	Change year 1% over year	3,225	71%	Change year 17% over year
BAS revenue	1,554	31%	Change year 9% year	1,421	30%	Change year 7% over year	1,333	29%	Change year 12% over year
Unallocated revenue	<u>(2)</u>	0%		<u>-</u>	0%		<u>-</u>	0%	
Total revenue	<u>4,970</u>	100%	Change year 6% year	<u>4,686</u>	100%	Change year 3% over year	<u>4,558</u>	100%	Change year 2% over year

Total revenue is a non-GAAP measure which management believes provides useful information to management and investors. We believe it is useful for management and investors to see the company the way it has been in the past as well as the way it will look in the future. Total revenues show the company on a basis that is comparable to prior periods. It is useful for measuring our results compared to past expectations.

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.