



34th Annual JP Morgan Technology Conference

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

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Agilent Technologies

Safe Harbor Statement

These presentations contain forward-looking statements (including, without limitation, statements regarding the enhancement of shareholder value, our completion of the Verigy spin-off, our expected restructuring and the reduction of infrastructure costs following its completion, our implementation of the share repurchase program, our goals to expand our product and service portfolio, our expansion into new markets, our acquisition plans, and information on our goals, priorities, orders, revenues, demand, growth opportunities, financial condition, earnings, liquidity, capital structure, operating performance, cost structure, cyclicalities, the continued strengths of the markets we sell into, operations, operating earnings, and our ability to be 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; changes in the securities markets that may effect the timing of the spin-off complete; 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 Annual Report on Form 10-K for the year ended Oct. 31, 2005 and our Quarterly Report on Form 10-Q for the period ended Jan. 31, 2006.

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

Q2 financial review

Continuing to deliver on operating and strategic commitments

- Orders of \$1,588 million up 21% from last year
- Revenue of \$1,431 million and operating EPS of \$0.40 at top of guidance
- Achieved a 24% Return on Invested Capital (ROIC), a new company high
- Gross margins remained at the highest level in five years
- Generated approximately \$241M in cash from operating activities
- Solid working capital management, with inventory days on hand below 100 for the first time



Agilent Operating Results, Q1F05 – Q2F06

(Excludes non-cash amortization expenses and other non-operational items)

	Q1'05	Q2'05	Q3'05	Q4'05	Q1'06	Q2'06	Q2
M\$	Act	Act	Act	Act	Act	Act	Y/Y
Orders	1,176	1,315	1,301	1,504	1,353	1,588	21%
Net Revenues	1,212	1,279	1,241	1,407	1,336	1,431	12%
Gross Profit %	49.9%	50.7%	50.1%	52.2%	52.6%	53.1%	2.4%
R&D	168	180	168	168	171	178	-1.1%
% Revenues	13.9%	14.1%	13.5%	12.0%	12.8%	12.4%	-1.7%
SG&A	358	376	349	372	368	385	2.4%
% Revenues	<u>29.5%</u>	<u>29.4%</u>	<u>28.1%</u>	<u>26.4%</u>	<u>27.5%</u>	<u>26.9%</u>	<u>-2.5%</u>
Operating Profit	79	92	105	194	164	196	113%
Other Income	<u>16</u>	<u>16</u>	<u>21</u>	<u>16</u>	<u>41</u>	<u>41</u>	<u>156%</u>
Pre-Tax Earnings	95	108	126	210	205	238	120%
Income Tax	<u>24</u>	<u>24</u>	<u>31</u>	<u>65</u>	<u>51</u>	<u>60</u>	<u>150%</u>
Net Earnings	71	84	95	145	154	178	112%
ROIC	10%	11%	13%	23%	21%	24%	13%
Inventory Days	122	112	110	100	108	96	(16)
DSO	53	55	54	48	52	53	(2)
Regular Headcount	21,251	21,277	21,144	20,954	20,398	20,301	(976)
Non-GAAP EPS	\$ 0.15	\$ 0.17	\$ 0.19	\$ 0.28	\$ 0.32	\$ 0.40	\$ 0.23

Update on Recent Actions

We continue to meet our commitments

Announced Actions	Status
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 \$2.66 billion	Completed, Dec. 2005
Repurchase \$4.466 billion in stock over a two-year period (completed by year end)*	Completed \$3.9B (as of 5/15/06) via tender offer and open market purchases
Spin off SOC and Flash Memory Test businesses	IPO in registration, spin-off to be completed by year end

* Year-end 2006, assumes normal market conditions

A Snapshot of Agilent Today

The World's Premier Measurement Company

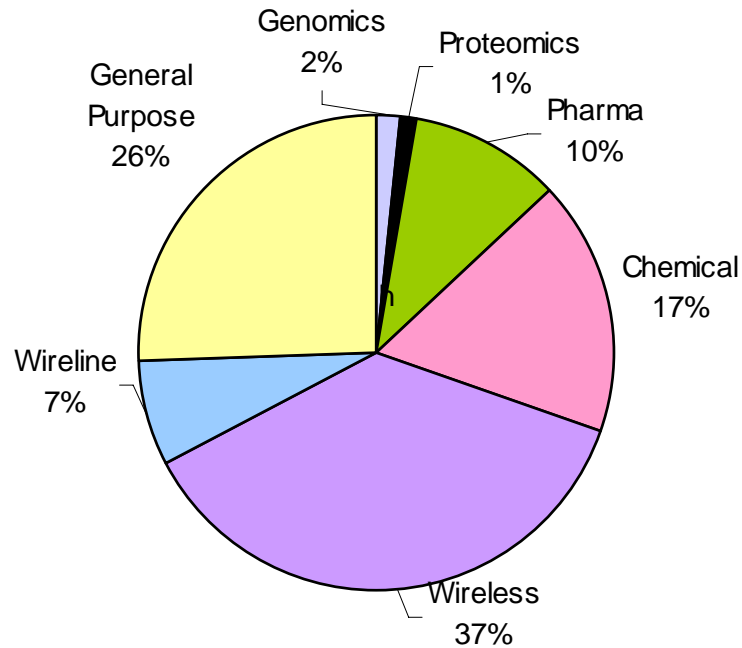
- More focused company providing core measurement solutions to address our customers' critical challenges
- Leveraging our expertise in electronic and bio-analytical measurement, addressing new markets
- Strong financial foundation and operating discipline, increasing shareholder value
- Robust product pipeline in all businesses contributing to top line growth
- Strong market position with industry leaders, 2x the size of our next largest competitor

Increasing shareholder value through clear strategy and consistent performance

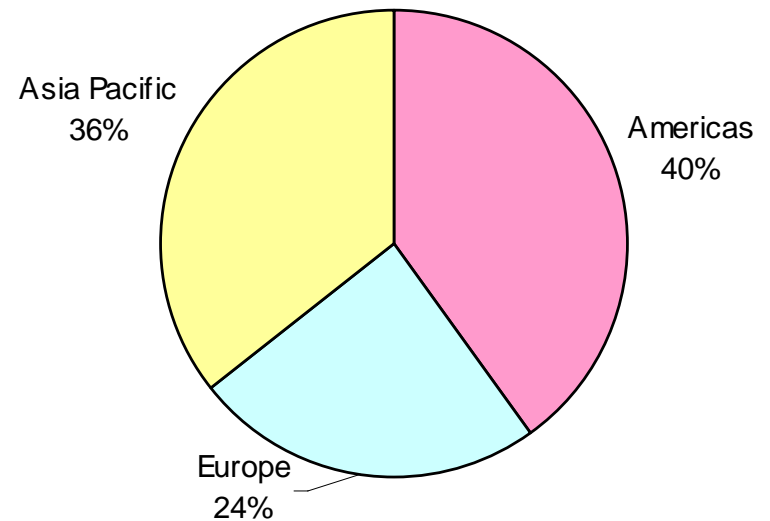
“New Agilent” Revenue Distribution (FY05)

Major Market Segments and Global Footprint

Distribution by Market



Geographic Distribution

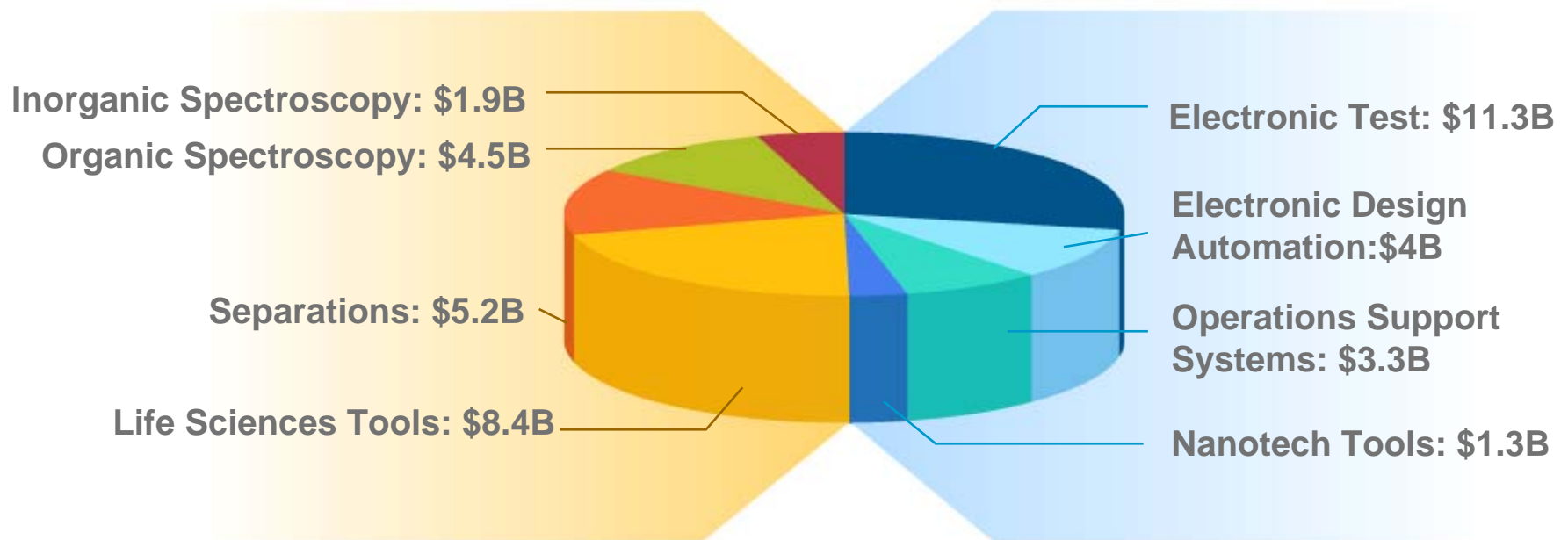


\$40 Billion Measurement Market*

Sizable market provides opportunity for growth

Bio-Analytical Measurement

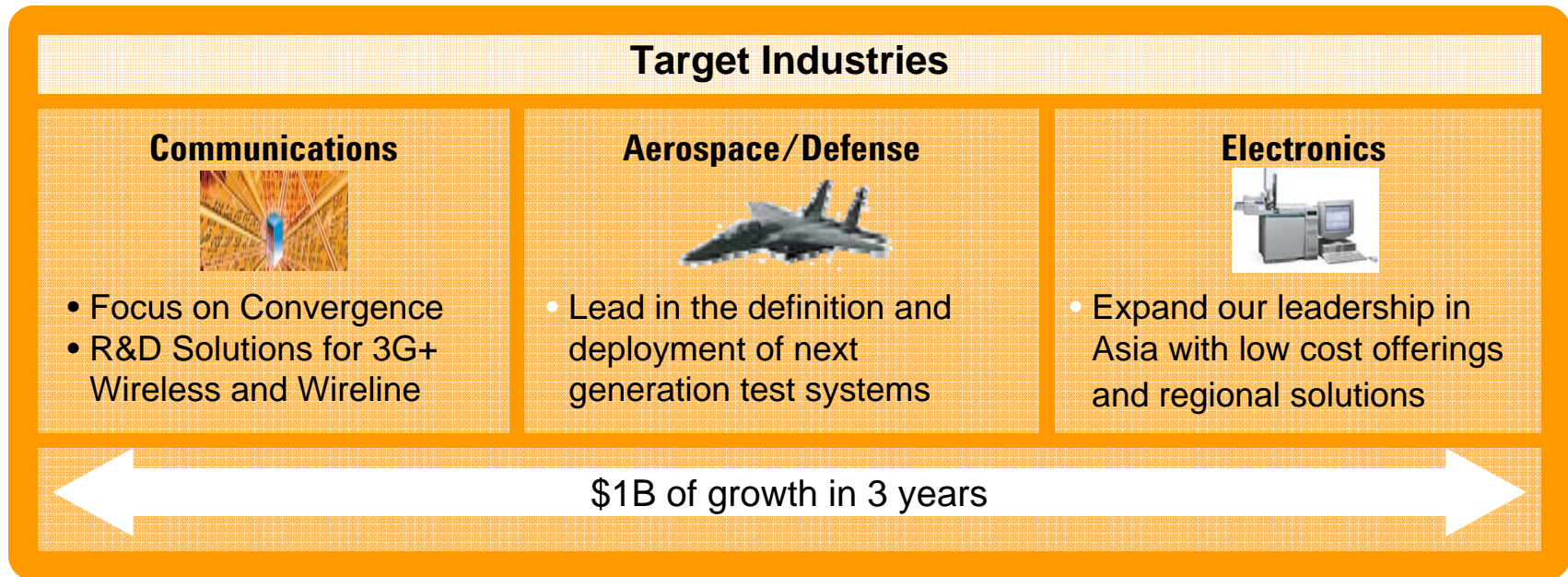
Electronic Measurement



* Agilent, OSS Observer and Strategic Direction International, Inc. estimates

Key Growth Initiatives - Electronic Measurement




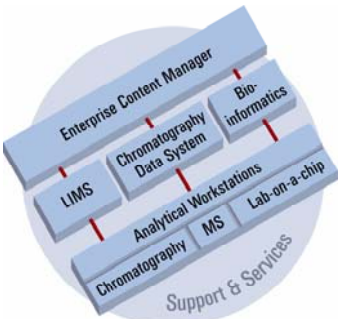



Leveraging our market position into adjacent and growing markets



- Create innovative solutions in targeted high growth markets and regions through collaboration with market makers in each industry
- Use our geographic and product footprint to uniquely solve the technical and business issues of our customers
- Differentiate customer experience through excellence in support, responsiveness, and technical application knowledge

Key Growth Initiatives - Bio-Analytical Measurement

Extend leadership through innovative products and services

Core Platforms	After Market	Laboratory Informatics	Life Sciences
 <ul style="list-style-type: none"> • Refresh core product platforms • Expand workflow automation • Expand leadership in China, India and Japan 	 <ul style="list-style-type: none"> • Achieve leadership in LC columns  <ul style="list-style-type: none"> • Expand Lab-wide services portfolio 	 <ul style="list-style-type: none"> • Converge SW platforms • Expand SW applications portfolio • Expand Informatics portfolio (ECM, ELN, LIMS) 	 <ul style="list-style-type: none"> • Expand array-based Genomics portfolio  <ul style="list-style-type: none"> • Expand MS-based Proteomics and Metabolomics portfolio  <ul style="list-style-type: none"> • Expand Lab-on-a-Chip portfolio into MDx

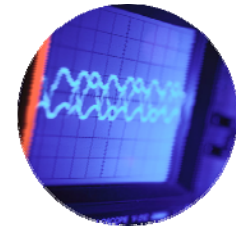
Key Group Strategic Initiatives

Clear objectives for growth across our businesses

Bio-Analytical Measurement: Strengthen core product portfolio, broaden life science and high-end MS portfolio, and expand after market and informatics business



Electronic Measurement: Leverage our market position into adjacent growing markets targeting communications, aerospace and defense and general electronics industries. Extend our leadership in Network Assurance into Service and Customer Assurance



Our goal is to outpace growth in our markets

Operational Excellence

Building a track record of results

- Built operating model that should be cash flow positive under normal economic circumstances
- Global sales and support channels in every region of the world with unmatched customer service and support
- Ahead of schedule on infrastructure cost reductions (parity achieved, with additional 100 bps “clean slate” reductions to be completed by year end)
- Returned value to our shareholders, repurchased approximately 20% of our outstanding shares

With our target operating model in place, we can now focus on leveraging that model to drive top-line growth

New Agilent Cyclical Operating Model

Market Cycle	Trough	Cycle Avg.	Peak
Operating Margin	5%	14%	20%
Gross Margin	48%	53%	56%
R&D	14%	12%	11%
SG&A	29%	27%	25%
ROIC	8%	21%	35%

Key Takeaways

- Agilent is the undisputed leader in test and measurement, well positioned for growth as we expand our served available market
- Completed transformation without sacrificing our strong market positions; we have robust product lines and great growth opportunities
- These opportunities include aerospace/defense transformation, service assurance and lab informatics and MS-based proteomics, and we continue to invest in future
- We have financial strength, flexibility and discipline; excellent cash generation and asset management, coupled with a well tuned cost structure

The next phase is about leveraging our position and capturing more of the \$40 billion measurement opportunity

