ALICIA RODRIGUEZ

Thank you and welcome everyone to Agilent's Third Quarter Conference Call for Fiscal Year 2013. With me are Agilent's CEO, Bill Sullivan, as well as Senior Vice President and CFO, Didier Hirsch.

Joining in the Q&A after Didier’s comments will be Agilent’s President and Chief Operating Officer, Ron Nersesian. Also joining are the Presidents of our Electronic Measurement, Chemical Analysis, Life Sciences and Diagnostics and Genomics Groups, Guy Séné, Mike McMullen, Nick Roelofs and Lars Holmkvist.

You can find the press release and information to supplement today’s discussion on our website at www.investor.agilent.com.

While there, please click on the link for “financial results” under the “Financial Information” tab. There, you will find an investor presentation along with revenue break outs, business segment results and historical financials for Agilent's operations. We will also post a copy of the prepared remarks following this call. Bill and Didier’s comments today will refer to non-GAAP financial measures. You will find the most directly comparable GAAP financial metrics and reconciliations on our website.
We will make forward-looking statements about the financial performance of the company. These statements are subject to risks and uncertainties, and are only valid as of today. The company assumes no obligation to update them.

Please look at the company's recent SEC filings for a more complete picture of our risks and other factors.

And now, I’d like to turn the call over to Bill.

BILL SULLIVAN

Thanks Alicia, and hello everyone.

Today Agilent reported third-quarter revenues of $1.65 billion, a decline of 4 percent year-over-year including the Dako acquisition. Adjusted net income was $233 million or 68 cents per share. We exceeded EPS guidance, despite continued challenges in many of our markets and the economic environment in general.

Agilent’s strong Q3 earnings reflect our ongoing commitment to actively manage costs and expenses in response to macroeconomic uncertainty. Consistent with the commitment we made in the second quarter, we successfully decreased operating expenses sequentially, and we continued to benefit from our focus on reducing manufacturing costs.

Before turning to the business highlights, I want to remind you, with the acquisition of Dako, we will no longer refer to our Life Sciences and Chemical
Analysis businesses as Bioanalytical Measurement or BAM. Instead we will focus on LDA for Life Sciences, Diagnostics, and Applied markets.

As I mentioned last quarter, this is not an organizational change. We will continue to report Life Sciences, Diagnostics and Genomics, and Chemical Analysis as separate segments.

LDA revenues in Q3 were $951 million, up 8 percent year-over-year including Dako. LDA’s operating margin was 18 percent.

In LDA markets, we saw good growth in Pharmaceutical, up 7 percent on technology upgrades. Food and Energy also had solid growth, up 11 percent and 6 percent respectively on strong demand from China.

Clinical and Diagnostics grew 114 percent including Dako and 16 percent organically, on good demand for our array CGH and target enrichment solutions.

The continued outperformance of these segments was slightly offset by expected year-over-year declines in Environmental and Forensics and in Academic and Government, down 11 percent and 7 percent respectively. Both declines were a result of the ongoing sequestration in the United States.

Our focus on emerging markets continues to pay off. BRIC country revenues were up double-digits across almost all of LDA, with China growing more than 20 percent versus a year ago.
Within LDA, Life Sciences Group revenues grew 3 percent, led by consumables, services, support and informatics. Operating margins continued to improve, approaching 17 percent for the quarter.

LSG announced several new products in Q3. Two highlights were the 1290 Infinity 2DLC solution and our new StreamSelect LC-MS System. 2DLC provides superior resolution compared to any other LC-based separation approaches. StreamSelect dramatically increases mass spec productivity for our customers.

Revenues in our Diagnostics and Genomics Group grew 54 percent, or 6 percent on an organic basis. Operating margins were 15 percent.

In genomics, we saw strength in CGH and good demand for our Haloplex and SureSelect products. Demand for Dako products approached market growth, which has slowed to low-to mid-single digits due to softness in Europe and the U.S.

We expect the commercial launch of Dako’s new Omnis autostainer in Q4 to accelerate our growth. Omnis feedback from our early customer sites has been excellent. Our expansion of SureFISH into the Dako channel is on track, and is expected to gain momentum in FY14.

In the Chemical Analysis Group, revenues were up 1 percent year-over-year. Operating margins were 22 percent. GC sales – notably from China – and recurring revenue growth led CAG’s results.
We saw the beginning of improved replacement market demand, as orders increased for our new GC and GC mass spec products. A number of new product launches are planned over the next 12 months.

Looking forward, we expect mid-single-digit growth in Q4 across LDA as new products gain traction, and markets that are less impacted by sequestration continue on a positive trend.

Turning to the Electronic Measurement Group, revenues declined 17 percent, as projected, to $701 million. Operating margins at 18 percent reflected excellent gross margin management and tight expense controls, in response to globally challenging market conditions.

Communications revenues were down more than 30 percent as expected. This was primarily due to the non-recurrence of a wireless customer deal discussed in our last quarterly earnings call.

Industrial, computer and semiconductor revenues declined 11 percent. Global economies remained weak, while lower PC volumes and fewer technology rollovers required less capital capacity.

Aerospace and Defense revenues grew 1 percent, with strength in our non-U.S. defense business.

Despite challenges in EMG’s markets, our investments in transformational initiatives continue to pay off. Modular AXIe and PXI platforms saw another
quarter of double-digit growth, while handheld instrumentation continued to perform well.

The underlying secular growth drivers of mobility and computing remain strong. As a result, we continue to invest in industry-leading test solutions. We are on track to launch several new products for wireless R&D and wireless manufacturing in the coming months.

Looking ahead, we expect the uncertain Electronic Measurement macroeconomic environment to continue into Q4, with continued softness in communications, industrial, semi and computer markets. As a result, we are forecasting EMG revenues to decline by the low teens in Q4.

Last quarter, we announced that Agilent’s board of directors doubled our authorization under the current stock repurchase program. This brought our total authorization to $1 billion, inclusive of the amounts repurchased since Nov. 1, 2012. Agilent repurchased 5.3 million shares of common stock in the first half of 2013, and repurchased an additional 15 million shares during the third quarter.

We have now utilized $900 million of our total authorization. We expect the program to be completed by the end of calendar year 2013.

Overall, we believe we are exercising the right strategy to create long-term value for Agilent’s shareholders in this environment. We are ensuring that we protect Agilent’s profitability while capitalizing on opportunities for the future.
We continue to invest in high-growth opportunities including communications, life science, diagnostics, applied and emerging markets.

Our commitment to innovation, R&D and excellent customer satisfaction remains strong. We have a deep pipeline of new product introductions that will enable us to differentiate and win in our targeted markets. Moving forward, we are focusing our R&D efforts on high-growth segments that will drive meaningful revenue growth for the long-term.

For the fourth fiscal quarter, we expect Agilent revenues of $1.7 billion to $1.72 billion. Non-GAAP earnings per share will be in the range of 75 cents to 77 cents.

Thank you for being on the call. Now I will turn it over to Didier for a more detailed discussion of our financial results.

DIDIER HIRSCH

Thank you, Bill, and hello, everyone.

To recap the quarter, Q3 revenues adjusted for $10M of currency headwinds were slightly above the high end of our guidance and EPS was 4 cents above the high end of our guidance, as we continue to drive higher efficiency in manufacturing and SG&A as well as enforce strict expense controls.

Core orders, which exclude the impact of currency and acquisitions, were down 5% YOY while core revenues decreased 6%.
Core orders at EMG were down 15% YOY (down 8% excluding the non-recurring wireless manufacturing test deal of a key account discussed at the last quarterly conference call) while LDA core orders were up 4%.

Within LDA, LSG core orders were up 2%, CAG’s up 6%, and DGG’s up 6%.

Core revenues at EMG were down 16% YOY (down 7% excluding the key account’s wireless manufacturing test deal) while LDA core revenues were up 4%.

Within LDA, LSG core revenues were up 4%, CAG’s up 3%, and DGG’s up 7%. By region, core revenues were down in the Americas by 17% and Europe by 3%, but were up in Japan by 9% and the rest of Asia Pacific by 3%. LDA core revenues grew in all regions, where EMG’s were down in all except Japan. To note, LDA revenues in China were up 21%, after 16% growth in Q1 and 14% in Q2.

Both EMG and LDA delivered a strong operating margin of over 18% with more potential for margin expansion and increasing operating leverage as the economy picks up steam.

Regarding cash, we generated $215M in operating cash flow.

We issued debt of $600M during the quarter and paid off $250M notes maturing that quarter. We also spent $681M on share repurchases.

At quarter end, we had a net debt position of $315M.

Now turning to the guidance for our fourth quarter.
The midpoint of our revenue guidance, at $1.71B, corresponds to a YOY decline of 1% on a core basis, made up of a decline of 11% for EMG and a growth of 7% for LDA (CAG +6%, LSG +6%, and DGG +12%), all on a core basis.

The midpoint of our EPS guidance, at 76 cents, represents a sequential increase of 8 cents.

Finally, the guidance for the full year.

The midpoint of our revenue guidance, at $6.77B is down $30M from the midpoint of the May guidance, or down $10M adjusted for changes in currency. EMG is down approximately $20M whereas LDA is up approximately $10M. At midpoint, we expect EMG revenues to reach $2.89B (down 12% on a core basis) and LDA $3.88B (up 5% on a core basis). Overall, Agilent revenues of $6.77B at midpoint will be down 3% on a core basis.

Regarding EPS, we are raising the midpoint of our FY13 guidance by 6 cents to $2.84.

To note, our restructuring plan impacting about 500 employees is on track and most of the $50M savings will be achieved by the end of Q1FY14.

With that, I will turn it over to Alicia for the Q&A.