Thank you and welcome everyone to Agilent's Fourth Quarter Conference Call for Fiscal Year 2014. With me are Bill Sullivan, Agilent’s CEO; Mike McMullen, president, chief operating officer and CEO-Elect; and Didier Hirsch, senior vice president and CFO.

Joining in the Q&A after Didier’s comments will be Fred Strohmeier, president of Agilent’s Life Sciences and Diagnostics Group, and Mark Doak, senior vice president of Agilent’s Cross Lab Group.

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 breakouts, business segment results and historical financials for Agilent's operations. We will also post a copy of the prepared remarks following this call.
Today’s comments by Bill, Mike and Didier 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 including Keysight Technologies reported Q4 revenues of $1.81 billion, operating margin of 20.7 percent and earnings per share of 88 cents.

Keysight Technologies discussed their performance and outlook in a separate call earlier today. Accordingly, the rest of the numbers we will share today deal exclusively with Agilent’s performance in life sciences, diagnostics and applied markets.

New Agilent reported record fourth-quarter revenues and orders. Revenue of $1.04 billion increased 3 percent versus last year. Orders of $1.15 billion were
up 5 percent over a year ago. Operating margin was 20.4 percent. Book to bill was 1.10.

In a moment, Mike and Didier will discuss the details of the Q4 performance and outlook for the New Agilent. However, I would like to highlight three major accomplishments during the quarter:

1. We completed the separation of the company. The Keysight and Agilent teams executed a flawless separation of the company without impacting the day-to-day business of either company. With the completion of the separation of the company, we have created two companies with greater strategic and management focus, with each company well positioned for growth and long-term shareholder value in their respective markets.

2. During the quarter, Agilent retired an additional $500 million of debt, to maintain our leverage at a level consistent with our current investment grade rating.

3. We named a new CEO. In September, we announced that Mike McMullen had been named Agilent’s President, Chief Operating Officer and CEO-Elect. Mike will become CEO on March 18, 2015, the day of the Annual Shareholder’s Meeting. With the separation now complete, this is the perfect time to name the new CEO for the New Agilent. Mike and I are working to ensure the transition is smooth and seamless to the organization, customers and investors.
I will now turn the call over to Mike.

MIKE MCMULLEN

Thanks Bill. I’d like to share some of the details behind the quarter’s results.

To reiterate, LDA or new Agilent’s fourth quarter revenues came in at $1.04 billion, or 3 percent growth year over year. Unfavorable currency, lower NMR revenues and late orders drove the difference from August’s guidance of $1.08 billion at the midpoint.

As a reminder, in October we announced our exit from the NMR instrument business. We are no longer taking NMR instrument orders, and our current backlog will ship in 2015.

Excluding NMR and currency effects – each having a negative 1 percentage point impact on reported growth – revenues grew 5 percent and orders grew 8 percent compared to a year ago.

Turning to results by end market and growth on a reported basis…

Within the Life Sciences and Applied markets, Pharma/Biotech was up 5 percent, driven by equipment refreshes from large/mid-size pharma customers and continued specialty Pharma demand.

Life sciences research – or Academia & Government – was up 4 percent again this quarter, driven by improved government spending in the U.S. and China.
Government spending, particularly in the U.S. and China, contributed to growth in Forensics up 6 percent, Food testing up 4 percent, and Environmental up 2 percent over a year ago.

Chemical and energy revenues remained relatively flat, growing 1 percent. Pressure from reduced crude oil and natural gas prices, and continued softness in the industrial market slowed demand.

Turning to Clinical and Diagnostics, revenues grew 1 percent, with solid demand for genomics products related to cancer applications and Mass spec for therapeutic monitoring offset by lower Pathology revenues.

Geographically, economic recovery and government spending continued to drive growth in the Americas, up 6 percent. Asia excluding Japan grew 5 percent. We saw low-single digit growth from China, led by life science research, environmental and food testing.

Europe was flat in the quarter. Continued strength in Eastern Europe and the Middle East was offset by softness in Western Europe. Japan declined 6 percent due to currency, but grew modestly on a local currency basis, primarily in applied markets.

Turning to the business segments within LDA, Life Sciences and Diagnostics Group revenues grew 2 percent, while orders were up 3 percent. Excluding NMR, revenues were up 4 percent and orders were up 6 percent, with strong growth across LDG’s portfolio except pathology.
Operating margin for the quarter was 17.5 percent, down 170 basis points from last year, but up 180 basis points from the previous quarter. Excluding the impact of NMR and FDA incremental expenses, LDG operating margin would have been 20 percent in Q4.

Our Life Sciences team introduced a number of key new products in the past quarter. The 1290 Infinity II LC System sets a new benchmark in analytical, instrument and laboratory efficiency. OpenLAB CDS (Chromatography Data System) will fully support the 1290 Infinity II LC system, and provides one of the most comprehensive software control systems in the industry.

We introduced ClearSeq AML, which is the first in a line of next-gen sequencing panels developed for cancer research. And our new family of SureSelect Focused Exome products provides the most comprehensive and high-performance NGS solutions for post-natal research on high-throughput and bench-top sequencers.

Turning to the Chemical Analysis Group, revenues grew 5 percent, while orders were up 8 percent. Operating margin for the quarter was strong at 24.5 percent, flat with a year ago and up 120 basis points from Q3.

Our Chemical Analysis team also had a number of key new product introductions, including the new 7010 Triple-Quad GCMS and the 7200 GC/Q-TOF, which expands pesticide screening beyond the capabilities of any other GC/Q-TOF system.
We strengthened our industry leading Atomic Spectroscopy portfolio with the launch of the Agilent 5100 ICP-OES. This sets a new standard for Optical Emissions Spectroscopy and has been extremely well received by the market. Among its many innovations, analyses can be run 55 percent faster using 50 percent less gas per sample than competitive systems. In addition, the design changes have led to a 20-percentage point gross margin improvement over the previous product.

As we launch the New Agilent and enter the new fiscal year, we have three focus areas for the company.

1. Grow organically at the high end of the market
2. Aggressively expand operating margins
3. Deploy Capital for long term shareholder value

First, we will focus on sustaining share growth within the core analytical lab. We will continue to bring innovative new offerings to the marketplace, and expand our lab-wide services and consumables with a truly differentiated customer experience.

We will leverage this strength in the Analytical Lab to drive growth in the fast-growing genomics, clinical research and diagnostic markets.

Second, we will focus on aggressively growing our adjusted operating margins with our portfolio and order fulfillment transformation programs. We will leverage SG&A and R&D investments, and reduce cost dis-synergies resulting from the separation of Keysight.
Keep in mind that fiscal 2015 is a transition year for Agilent. Year-one cost dis-synergies are the highest following the company separation, and NMR and FDA remediation work will continue to weigh on our results. While we have a lot of work ahead of us, I have the highest confidence in our ability to meet Agilent’s long term operating goals.

Third, we will deploy capital for long-term shareholder value, with an expected return of $500 million to shareholders in fiscal year 2015. This includes a combination of cash dividends – approximately $135 million – and opportunistic share buybacks.

Turning to guidance, Agilent’s revenues for the fiscal first quarter of 2015 are expected to range from $1.02 to $1.04 billion, for 2.2 percent reported growth or 4.9 percent core growth at the midpoint. We expect first quarter earnings per share from 39 to 43 cents.

For the full year, we expect revenue in a range from $4.12 to $4.18 billion, and earnings per share from $1.68 to $1.78.

Thank you for being on the call. I will now turn it over to Didier, who will provide a more detailed discussion of Agilent’s financial results and guidance.

DIDIER HIRSCH

Thank you, Mike, and hello, everyone.
Bill and Mike have already covered Q4 orders, revenues, and EPS.

I will add that LDA’s 20.4% OM is in line with our volume-adjusted mid-point guidance. Also, please note that we spent an incremental $9M in Q4 to address the FDA warning letter. Without this expense, and assuming we had already exited the NMR-related business (therefore saving $15M on an annualized basis), LDA’s Q4 OM% would be about 22%. Finally, we redeemed $500M of debt in Q4, and generated $166M in Operating Cash Flow. This is lower than traditional, for three main reasons:

1. We paid $80M for the redemption of the 2017 notes and also prepaid the current interest on the note.
2. Pre-separation expenses amounted to $70M
3. We paid $41M in taxes related to the spin.

Also note that we booked mostly non-cash charges related to the exit of the NMR-related businesses of $68M.

I will now turn to the guidance for Fiscal Year 2015

Our FY15 revenue guidance of $4.12B to $4.18B assumes the economy will pick-up moderately in the second half of our fiscal year. At midpoint, our YOY growth will be 2.5% on a reported basis, but 4.9% on a core basis, the difference due to currency. We project FY15 EPS to range from $1.68 to $1.78, with a midpoint of $1.73 as per our October 17 guidance.
As you update your models for FY15, please consider the following:

- Annual salary increases will be effective December 1, 2014.
- Stock-based compensation will be about $65M. As we front-load the recognition of stock-based compensation, the Q1 expense will be about $26M.
- Depreciation is projected to be $100M for the fiscal year.
- Net interest expense is forecasted at $63M, and other income at $29M.
- About $26M of other income comes from services billed to Keysight, or $12M for IT services in the first half and $14M for ongoing rental income.
- As we have previously communicated, the corresponding expenses are reflected in our operating profit, so you will need to increase the reported operating profit with the value of those services billed to Keysight if you want to make a year-over-year comparison of our operating profit.
- The non-GAAP effective tax rate is projected to be 20%.
- We plan to return approximately $500M in capital to shareholders, including $135M in dividends $365M in opportunistic buybacks. The buybacks will occur from time to time on the open market, with consideration given to our stock price.
- For purpose of our EPS guidance, we have assumed a diluted share count of 340M, but we could achieve a lower diluted share count of about 335M would we execute the buyback program in full.
- We expect operating cash flow of $600M and capital expenditures of $120M.
- The operating cash flow reflects post-separation expenses of $50M and separation related taxes of $40M. Both will be pro forma.
Finally, moving to the guidance for our first quarter: we expect Q1 revenues of $1.02B to $1.04B and EPS of 39 to 43 cents. At midpoint, revenue will grow 2.2% YOY, or 4.9% on a core basis, the difference, again, as a result of currency.

As customary, Q1 EPS is negatively impacted by the December salary increase, front-loading of stock-based compensation, and the increase in payroll taxes due to the disbursement of the variable and incentive pay of the previous semester.

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