Thank you and welcome everyone to Agilent's First Quarter Conference Call for Fiscal Year 2015. 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 Patrick Kaltenbach, president of Agilent’s Life Sciences and Applied Markets Group, Jacob Thaysen, president of Agilent’s Diagnostics and Genomics Group, and Mark Doak, president of the Agilent CrossLab 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. 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 reported first-quarter revenues of $1.03 billion, an increase of 2 percent versus last year. Orders of $995 million were up 2 percent over a year ago. Operating margin was 17.2 percent. Earnings per share were 41 cents.

Mike and Didier will provide further details about Agilent’s Q1 performance. But before I hand it over to Mike, I would like to take a moment to thank the investor community for your ongoing support of Agilent.
As most of you know, this will be my last earnings call as Agilent’s CEO. I am very proud of the accomplishments the Agilent team has made over the last ten years.

In 2005, we launched a strategic initiative to focus on our core expertise of measurement science and direct investments into the life science markets. We divested our semiconductor related businesses: SPG, now Avago; our semiconductor test business, Verigy, now part of Advantest; and our solid-state illumination joint venture, LumiLeds, with Philips.

With the electronic measurement business as the foundation of the company, we embarked on a journey to turn a “hard-core” electronics company into a life science and diagnostics company.

As a result of the enormous efforts of the team, excellent organic growth and several key acquisitions, we have grown our analytical instrumentation, genomics and diagnostics business from $1.4 billion to $4 billion per year in revenue, gaining the No. 2 position in the marketplace.

This success led to our recently completed split of the company and the creation of Keysight Technologies. The ability of a company to transform itself, while spinning off or divesting businesses, is a testament to the skills and dedication of its employees.

Of course, the work of the New Agilent is not done. We need to manage through the added costs of the separation dis-synergy, and drive our operating margins higher. We will continue our commitment to be a leader in our markets, and we
must capture the returns from the investments we have made in the clinical and diagnostics markets.

Mike and his team are well prepared to lead the company forward. Mike has a proven track record of building very profitable, market-leading businesses. Mike’s new team has all the expertise, skills and drive to move Agilent forward. I believe our investors, customers and employees are in excellent hands.

And now, I’ll turn it over to Mike.

MIKE MCMULLEN

Thanks Bill. I would like to take a moment to acknowledge the incredible job that Bill has done leading this company for the past 10 years. He not only transformed Agilent into an industry leader in life sciences, but he is leaving us in a very strong position for our journey ahead. On a personal note, I could not ask for a better partner during the CEO transition. Thanks, Bill.

Now, I would like to share some additional insights on the transition and the quarterly results. The transition within Agilent is in full swing.

At the start of Q1, we announced the most expansive re-organization in our company’s history. Three new business groups were formed, to drive expansion in the core analytical lab, and leverage this leading position to further penetrate the connected clinical research and diagnostics markets. We launched an Agile Agilent program to streamline and create a more nimble, customer-focused and faster-moving company.
In Q1, we delivered a strong start to the year, driven by the strength of our core analytical lab business. We delivered 2 percent reported growth, or 6 percent core growth. We had strong profitability, despite currency headwinds and challenges in our Diagnostics and Genomics business.

Our analytical lab business, which represents 86 percent of the total company, is comprised of two externally reported business segments: the Life Sciences and Applied Markets Group and the Agilent Crosslab Group.

The Life Sciences and Applied Markets Group (LSAG) brings together Agilent’s analytical laboratory instrumentation and informatics.

LSAG’s revenues grew 2 percent reported growth, or 5 percent on a core basis. Growth was broad based across most product lines and end-markets. Operating margin for the quarter was 19.6 percent.

Our growth continues to be driven by innovative new offerings. The Agilent 1290 Infinity II LC System, which we launched in Q4, has been extremely well received by the market. This system sets a new benchmark in analytical instrument and laboratory efficiency.

New spectroscopy products, such as the recently released FTIR imaging hardware and software enhancements, are accelerating research through improved workflows, and opening up imaging to a wider range of non-spectroscopy customers.
The new Agilent CrossLab Group (ACG), which combines our analytical laboratory services and consumables businesses under a new Agilent brand, delivered outstanding results. ACG revenues grew 5 percent, up 10 percent on a core basis.

Growth was strong across consumable supplies, columns, sample prep and services. This reflects the innovative products we are bringing to market and the customer value proposition of our CrossLab strategy.

We saw exceptional growth and demand for our QuEChERS sample prep kits. The introduction of RFID Inventory Management services was also well received by the market and customers. Operating margin for ACG was 20.7 percent.

The Diagnostics and Genomics Group (DGG) is comprised of three divisions. First, the former Dako company is focused on pathology, companion diagnostics and reagent partnerships. Second, the Genomics division includes our arrays, NGS target enrichment and other genomics solutions. Third, the Nucleic Acid Solutions Division manufactures synthetic RNA to be potentially used as active pharmaceutical ingredients.

DGG’s first-quarter revenues declined 6 percent year over year, down 1 percent on a core basis. We enjoyed record placements of Omnis instruments, strong companion diagnostics business, and strong SureSelect NGS target enrichment business. However, both of our nucleic acid businesses were significantly impacted by manufacturing issues that we resolved late in the quarter.
Operating margin was 0.5 percent, impacted by the lower revenues and the remediation expenses to last year’s FDA warning letter. Those remediation efforts are going well, on track with our expectations to be complete by Q4.

We continue to strengthen our portfolio. In January, DGG launched the new GenetiSure Pre-Screen Kit. This kit provides an innovative test for abnormal numbers of chromosomes. At the same time, DGG launched a new release of its CytoGenomics software, which enables rapid analysis of samples processed with the Pre-Screen Kit. Together, this solution provides the fastest turnaround time on the market.

Also in January, we announced a strategic partnership with Cell Signaling Technology to supply antibodies for use in Dako-branded diagnostics products.

We expect to return DGG to low double-digit operating margins in Q2, driven by a recently announced restructuring initiative and the return to normal manufacturing operations at our California and Colorado sites.

Now, let’s take a look at Agilent’s total company performance by end markets on a reported basis.

Pharma revenues were up 6 percent. We saw strength in technology refresh deals, healthy demand in mid-to-small-sized pharma, and sustained growth in the aftermarket.

We continued to see improving conditions in Life science research or Academia and Government, up 1 percent, with increased funding from Europe and China.
Demand for high-end LC/MS, as well as GC, GC/MS, informatics and consumables drove results.

Our food testing business grew 5 percent. We had solid growth worldwide, as governments and major food manufacturers manage the challenges of a complex global food supply and public food safety demands.

Environmental markets grew 4 percent, driven by China as it continues its focus on creating a cleaner environment. In addition to increased enforcement of its existing environmental regulations, China is developing new monitoring methods and legislation, driving growth in this space.

Chemical and energy revenues were flat year over year, as the industry responds to a greater-than-expected drop in oil prices.

We saw a slight decline in forensics, down 2 percent, as some U.S., state and federal U.S. agencies have delayed their capital purchases, due to some budget uncertainty.

Turning to clinical and diagnostics, revenues declined 4 percent over a year ago. The primary driver was manufacturing capacity constraints addressed late in the quarter.

Geographically, Americas grew 3 percent, Europe 2 percent, and Asia 1 percent.
China revenue – including Hong Kong – was a source of strength, up by double digits on demand from food and environmental customers, and a relatively easy compare.

On the other hand, revenues in Japan were down 19 percent. This was primarily currency related, due to the weakening yen, along with a difficult year-over-year compare.

Moving to the year ahead, in our last call I highlighted three focus areas to drive shareholder value:

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

Moving from our update on the strong Q1 core growth, a few highlights on our operating margin improvement initiatives and capital deployment.

The exit of the NMR hardware business, announced in October, is proceeding as planned. In Q1 we completed the closure and sale of our Lake Forest, California chemistry manufacturing site and consolidation of production volume into an existing Agilent site.

We have initiated a restructuring program as part of the company’s reorganization. We have also launched a multi-year “Agile Agilent” program, re-engineering our company to be more nimble, efficient and customer focused. We expect gross savings of a minimum of $50 million in 2015 from all these actions.
We will also continue to tax effectively deploy capital for long-term shareholder value. This year, as previously stated, we intend to return $500 million to shareholders in the form of dividends and buy backs.

We will complete the CEO transition at the March 18th shareholder meeting, with my new leadership team fully in place. My new team and I look forward to our May 28th analyst meeting in New York.

At this meeting, I will outline my strategic vision for the company, our plans to outpace the market, drive EPS growth and achievement of our long-term operating model.

It’s a “full-court press” within Agilent to sustain our core growth trajectory, mitigate currency headwinds and drive earnings.

Thank you for being on the call today. 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.

To summarize Q1 results, we delivered on our revenue and EPS midpoint guidance, even as currency impacted our revenue by $12M and our EPS by 1 cent. Also, adjusting for the $11M reimbursement from Keysight for Agilent IT and site services, our OM was 18.2%, 1pp higher than reported.
Regarding our Q1 negative operating cash flow of $20M, it was impacted by three factors.

1. Separation-related expenses amounted to $33M
2. Transformation and restructuring expenses amounted to $14M
3. We paid $42M in taxes related to the spin.

In addition, we paid in December, as usual, the variable compensation related to the previous 6 months.

I will now turn to the guidance for Fiscal Year 2015. The strengthening of the USD since our last guidance has a negative impact of $130M on our revenues, $32M on our operating profit and 8 cents on our EPS. However, thanks to the strength of our business and the initiatives underway that Mike mentioned, we anticipate offsetting about 5 cents of the currency impact.

We are therefore only slightly modifying our previous guidance. We expect FY15 revenues of $4.06B to $4.12B. At the midpoint of our revenue guidance, our YOY growth will be 1.0% on a reported basis, but 6.9% on a core basis, the difference due to currency.

Our core growth is driven by a strong order funnel, expected recovery in our DGG business, the impact of a significant number of new products, and continued improvements in demand from China.
We project FY15 EPS to range from $1.67 to $1.73, with a midpoint of $1.70. Please note that our EPS guidance assumes 338M shares and that our annual operating cash flow is projected at $550M.

Finally, moving to the guidance for our second quarter, we expect Q2 revenues of $985M to $1005M and EPS of 37 to 41 cents. At midpoint, revenue will grow 0.7% YOY, or 7.5% on a core basis, the difference, again, as a result of currency. At midpoint, Q2’s adjusted OM of 18.2% will be 130 bps higher than last year’s.

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