

**Agilent Technologies, Inc.**  
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**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(In millions, except per share amounts)  
(Unaudited)  
**PRELIMINARY**

	Three Months Ended July 31,		Percent
	2018	2017	Inc/(Dec)
Net revenue	\$ 1,203	\$ 1,114	8%
Costs and expenses:			
Cost of products and services	542	518	5%
Research and development	97	87	11%
Selling, general and administrative	339	308	10%
Total costs and expenses	<u>978</u>	<u>913</u>	7%
Income from operations	225	201	12%
Interest income	9	6	50%
Interest expense	(18)	(19)	(5%)
Other income (expense), net	<u>26</u>	<u>5</u>	—
Income before taxes	242	193	25%
Provision for income taxes	6	18	(67%)
Net income	<u>\$ 236</u>	<u>\$ 175</u>	35%
Net income per share:			
Basic	\$ 0.74	\$ 0.55	
Diluted	\$ 0.73	\$ 0.54	
Weighted average shares used in computing net income per share:			
Basic	320	321	
Diluted	324	326	
Cash dividends declared per common share	\$ 0.149	\$ 0.132	

The preliminary income statement is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(In millions, except per share amounts)  
(Unaudited)  
**PRELIMINARY**

	Nine Months Ended July 31,		Percent
	2018	2017	Inc/(Dec)
Net revenue	\$ 3,620	\$ 3,283	10%
Costs and expenses:			
Cost of products and services	1,642	1,521	8%
Research and development	281	250	12%
Selling, general and administrative	1,018	904	13%
Total costs and expenses	<u>2,941</u>	<u>2,675</u>	10%
Income from operations	679	608	12%
Interest income	28	15	87%
Interest expense	(57)	(59)	(3%)
Other income (expense), net	<u>52</u>	<u>13</u>	—
Income before taxes	702	577	22%
Provision for income taxes	581	70	—
Net income	<u>\$ 121</u>	<u>\$ 507</u>	—
Net income per share:			
Basic	\$ 0.38	\$ 1.57	
Diluted	\$ 0.37	\$ 1.56	
Weighted average shares used in computing net income per share:			
Basic	322	322	
Diluted	326	325	
Cash dividends declared per common share	\$ 0.447	\$ 0.396	

The preliminary income statement is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(In millions)  
(Unaudited)  
**PRELIMINARY**

	<u>Three Months Ended July 31,</u>		<u>Nine Months Ended July 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net income	\$ 236	\$ 175	\$ 121	\$ 507
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on derivative instruments	6	(3)	3	(3)
Amounts reclassified into earnings related to derivative instruments	1	(1)	4	(2)
Foreign currency translation	(39)	57	(13)	61
Net defined benefit pension cost and post retirement plan costs:				
Change in actuarial net loss	8	8	21	34
Change in net prior service benefit	(1)	(1)	(4)	(4)
Other comprehensive income (loss)	<u>(25)</u>	<u>60</u>	<u>11</u>	<u>86</u>
Total comprehensive income	<u>\$ 211</u>	<u>\$ 235</u>	<u>\$ 132</u>	<u>\$ 593</u>

The preliminary statement of comprehensive income is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(In millions, except par value and share amounts)  
(Unaudited)  
**PRELIMINARY**

	<u>July 31,</u> <u>2018</u>	<u>October 31,</u> <u>2017</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,131	\$ 2,678
Accounts receivable, net	733	724
Inventory	623	575
Other current assets	180	192
Total current assets	<u>3,667</u>	<u>4,169</u>
Property, plant and equipment, net	801	757
Goodwill and other intangible assets, net	3,448	2,968
Long-term investments	70	138
Other assets	363	394
Total assets	<u>\$ 8,349</u>	<u>\$ 8,426</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 273	\$ 305
Employee compensation and benefits	251	276
Deferred revenue	328	291
Short-term debt	—	210
Other accrued liabilities	162	181
Total current liabilities	<u>1,014</u>	<u>1,263</u>
Long-term debt	1,799	1,801
Retirement and post-retirement benefits	218	234
Other long-term liabilities	750	293
Total liabilities	<u>3,781</u>	<u>3,591</u>
Total Equity:		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 125 million shares authorized; none issued and outstanding	—	—
Common stock; \$0.01 par value, 2 billion shares authorized; 319 million shares at July 31, 2018 and 322 million shares at October 31, 2017, issued	3	3
Additional paid-in-capital	5,312	5,300
Accumulated deficit	(416)	(126)
Accumulated other comprehensive loss	(335)	(346)
Total stockholders' equity	<u>4,564</u>	<u>4,831</u>
Non-controlling interest	4	4
Total equity	<u>4,568</u>	<u>4,835</u>
Total liabilities and equity	<u>\$ 8,349</u>	<u>\$ 8,426</u>

The preliminary balance sheet is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(In millions)  
(Unaudited)  
**PRELIMINARY**

	Three Months Ended July 31, 2018	Three Months Ended July 31, 2017	Nine Months Ended July 31, 2018	Nine Months Ended July 31, 2017
Cash flows from operating activities:				
Net income	\$ 236	\$ 175	\$ 121	\$ 507
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	53	51	154	160
Share-based compensation	13	13	56	48
Excess and obsolete inventory related charges	5	4	22	19
Gain on step acquisition of Lasergen	(20)	—	(20)	—
Other non-cash expenses, net	5	3	7	5
Changes in assets and liabilities:				
Accounts receivable, net	12	19	(9)	(29)
Inventory	(32)	(17)	(66)	(46)
Accounts payable	5	5	(9)	11
Employee compensation and benefits	(17)	(18)	(24)	(11)
Change in assets and liabilities due to Tax Act	—	—	533	—
Other assets and liabilities	(63)	(7)	(50)	(63)
Net cash provided by operating activities <sup>(a)</sup>	<u>197</u>	<u>228</u>	<u>715</u>	<u>601</u>
Cash flows from investing activities:				
Investments in property, plant and equipment	(33)	(43)	(141)	(118)
Payment to acquire cost method investments	(10)	—	(11)	—
Proceeds from divestitures	—	—	—	1
Change in restricted cash and cash equivalents, net	—	—	1	—
Payment in exchange for convertible note	—	(1)	(2)	(1)
Acquisition of businesses and intangible assets, net of cash acquired	(430)	(57)	(437)	(127)
Net cash used in investing activities	<u>(473)</u>	<u>(101)</u>	<u>(590)</u>	<u>(245)</u>
Cash flows from financing activities:				
Issuance of common stock under employee stock plans	17	32	53	58
Payment of taxes related to net share settlement of equity awards	—	—	(29)	(13)
Payment of dividends	(48)	(42)	(144)	(127)
Proceeds from revolving credit facility	127	115	483	343
Repayment of debt and revolving credit facility	(442)	(76)	(693)	(163)
Treasury stock repurchases	(243)	—	(336)	(194)
Net cash provided by (used) in financing activities	<u>(589)</u>	<u>29</u>	<u>(666)</u>	<u>(96)</u>
Effect of exchange rate movements	(15)	18	(6)	14
Net increase (decrease) in cash and cash equivalents	(880)	174	(547)	274
Cash and cash equivalents at beginning of period	<u>3,011</u>	<u>2,389</u>	<u>2,678</u>	<u>2,289</u>
Cash and cash equivalents at end of period	<u>\$ 2,131</u>	<u>\$ 2,563</u>	<u>\$ 2,131</u>	<u>\$ 2,563</u>
<sup>(a)</sup> Cash payments included in operating activities:				
Income tax payments (refunds), net	\$ 38	\$ 15	\$ 86	\$ 56
Interest payments	\$ 25	\$ 29	\$ 68	\$ 69

The preliminary cash flow is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**LIFE SCIENCES AND APPLIED MARKETS SEGMENT**  
**(Unaudited)**  
**PRELIMINARY**

(In millions, except margins data)

	<b>2018</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Net revenue	\$ 596	\$ 537	\$ 540		
Gross margin %	62.1%	59.7%	61.3%		
Income from operations	\$ 156	\$ 113	\$ 123		
Operating margin %	26.1%	21.1%	22.9%		

	<b>2017</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Net revenue	\$ 520	\$ 501	\$ 510	\$ 550	\$ 2,081
Gross margin %	59.8%	60.1%	59.9%	61.1%	60.2%
Income from operations	\$ 122	\$ 106	\$ 109	\$ 131	\$ 468
Operating margin %	23.5%	21.2%	21.4%	23.8%	22.5%

Income from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with GAAP financial measures. Income from operations of our reporting segments exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, pension settlement gain, NASD site costs, and special compliance costs.

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.

The preliminary segment information is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**DIAGNOSTICS AND GENOMICS SEGMENT**  
**(Unaudited)**  
**PRELIMINARY**

(In millions, except margins data)

	<b>2018</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Net revenue	\$ 207	\$ 243	\$ 237		
Gross margin %	54.5%	55.0%	57.0%		
Income from operations	\$ 25	\$ 50	\$ 44		
Operating margin %	12.2%	20.4%	18.5%		

	<b>2017</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Net revenue	\$ 184	\$ 223	\$ 218	\$ 235	\$ 860
Gross margin %	54.7%	57.5%	52.9%	55.6%	55.2%
Income from operations	\$ 27	\$ 53	\$ 37	\$ 51	\$ 168
Operating margin %	14.9%	23.7%	17.1%	21.5%	19.5%

Income from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with GAAP financial measures. Income from operations of our reporting segments exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, pension settlement gain, NASD site costs, and special compliance costs.

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The preliminary segment information is estimated based on our current information.



**AGILENT TECHNOLOGIES, INC.**  
**AGILENT CROSSLAB SEGMENT**  
**(Unaudited)**  
**PRELIMINARY**

(In millions, except margins data)

	<b>2018</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Net revenue	\$ 408	\$ 426	\$ 426		
Gross margin %	50.6%	50.2%	50.6%		
Income from operations	\$ 88	\$ 98	\$ 102		
Operating margin %	21.6%	23.1%	23.8%		

	<b>2017</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Net revenue	\$ 363	\$ 378	\$ 386	\$ 404	\$ 1,531
Gross margin %	48.5%	49.7%	49.9%	49.6%	49.5%
Income from operations	\$ 74	\$ 82	\$ 90	\$ 92	\$ 338
Operating margin %	20.3%	21.6%	23.4%	22.9%	22.1%

Income from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with GAAP financial measures. Income from operations of our reporting segments exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, pension settlement gain, NASD site costs, and special compliance costs.

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.

The preliminary segment information is estimated based on our current information.

Agilent Technologies, Inc.  
Non-GAAP Financial Results Q2'17 - Q3'18  
(Unaudited)

M/\$						Preliminary		Q3 Y/Y
	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18		
<b>Net Revenue</b>	1,102	1,114	1,189	1,211	1,206	1,203	8%	
<b>Gross Profit %</b>	56.0%	55.1%	56.1%	56.9%	55.4%	56.7%	1.6 ppt	
R&D	83	86	88	92	92	97	13%	
% Revenue	7.5%	7.7%	7.4%	7.6%	7.6%	8.1%	0.4 ppt	
SG&A	293	292	305	328	315	316	8%	
% Revenue	26.6%	26.2%	25.6%	27.1%	26.2%	26.2%	0.0 ppt	
<b>Operating Profit</b>	241	236	274	269	261	269	14%	
Operating Margin	21.8%	21.2%	23.0%	22.2%	21.7%	22.3%	1.1 ppt	
Other Income/ (Expense)	(10)	(8)	(8)	(5)	(3)	(4)	50%	
<b>Pre-Tax Earnings</b>	231	228	266	264	258	265	16%	
Income Tax	44	37	48	48	46	48	30%	
<b>Net Income</b>	187	191	218	216	212	217	14%	
Net Margin	17.0%	17.1%	18.3%	17.8%	17.6%	18.1%	1.0 ppt	
Regular Headcount	12,900	13,300	13,600	13,800	14,000	14,500	1,200	
<b>Non-GAAP EPS</b>	\$ 0.58	\$ 0.59	\$ 0.67	\$ 0.66	\$ 0.65	\$ 0.67	\$ 0.08	

We provide the non-GAAP income statements in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to amortization of intangibles, transformational initiatives, acquisition and integration costs, pension settlement gain, gain on step acquisition of Lasergen, NASD site costs, special compliance costs, and adjustment for Tax Reform.

**Business exit and divestiture costs** include costs associated with business divestitures.

**Transformational initiatives** include expenses associated with targeted cost reduction activities such as manufacturing transfers including costs to move manufacturing due to new tariffs and tariff remediation actions, small site consolidations, legal entity and other business reorganizations, insourcing or outsourcing of activities. Such costs may include move and relocation costs, one-time termination benefits and other one-time reorganization costs. Included in this category are also expenses associated with company programs to transform our product lifecycle management (PLM) system and human resources and financial systems.

**Acquisition and integration costs** include all incremental expenses incurred to effect a business combination. Such acquisition costs may include advisory, legal, accounting, valuation, and other professional or consulting fees. Such integration costs may include expenses directly related to integration of business and facility operations, the transfer of assets and intellectual property, information technology systems and infrastructure and other employee-related costs.

**Pension settlement gain** resulted from transfer of the substitutional portion of our Japanese pension plan to the government.

**Gain on step acquisition of Lasergen** resulted from measurement at fair value of our equity interest held at the date of business combination.

**NASD site costs** include all the costs related to the expansion of our manufacturing of nucleic acid active pharmaceutical ingredients incurred prior to the commencement of commercial manufacturing.

**Special compliance costs** include costs associated with transforming our processes to implement new regulations such as the EU's General Data Protection Regulation (GDPR), revenue recognition and certain tax reporting requirements.

**Other** includes certain legal costs and settlements in addition to other miscellaneous adjustments.

**Adjustment for Tax Reform** primarily consists of an estimated provision of \$480 million for U.S. transition tax and correlative items on deemed repatriated earnings of non-U.S. subsidiaries and an estimated provision of \$53 million associated with the decrease in the U.S. corporate tax rate from 35% to 21% and its impact on our U.S. deferred tax assets and liabilities. The taxes payable associated with the transition tax, net of tax attributes, on deemed repatriation of foreign earnings is approximately \$440 million, payable over 8 years. The final impact of Tax Reform may differ materially from these estimates, due to, among other things, changes in interpretations, analysis and assumptions made, additional guidance that may be issued, and actions that we may undertake.

Our management uses non-GAAP measures to evaluate the performance of our core businesses, to estimate future core performance and to compensate employees. Since management finds this measure to be useful, we believe that our investors benefit from seeing our results "through the eyes" of management in addition to seeing our GAAP results. This information facilitates our management's internal comparisons to our historical operating results as well as to the operating results of our competitors.

Our management recognizes that items such as amortization of intangibles can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our statement of cash flows portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

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.

For reconciliations of the non-GAAP financial information to the most directly comparable GAAP information, please see the non-GAAP reconciliations for all prior periods provided at the Investor's page of our website.

**AGILENT TECHNOLOGIES, INC.**  
**REVENUE BY REGION**  
(in millions)  
(Unaudited)  
**PRELIMINARY**

	<b>Q3'17</b>	<b>Q4'17</b>	<b>Q1'18</b>	<b>Q2'18</b>	<b>Q3'18</b>	<b>Q3'18 Year Over Year Percent Inc/(Dec)</b>
<b>GAAP</b>						
Americas	\$ 378	\$ 418	\$ 393	\$ 404	\$ 412	9%
Europe	326	347	381	356	339	4%
Asia Pacific	410	424	437	446	452	10%
<b>Revenue</b>	<u>\$ 1,114</u>	<u>\$ 1,189</u>	<u>\$ 1,211</u>	<u>\$ 1,206</u>	<u>\$ 1,203</u>	8%

Management believes that this measure provides useful information to investors by reflecting an additional way of viewing aspects of Agilent's operations that, when reconciled to the corresponding GAAP measures, help our investors to better identify underlying growth trends in our business and facilitate easier comparisons of our revenue performance with prior and future periods and to our peers.

The preliminary reconciliation of revenue by region is based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF NON-GAAP AND GAAP FINANCIAL RESULTS**  
(In millions, except margin data)  
(Unaudited)  
**PRELIMINARY**

<b>GROSS MARGIN</b>	<b>Q3'18</b>	<b>Gross Margin %</b>	<b>Q3'17</b>	<b>Gross Margin %</b>
Revenue:	\$ 1,203		\$ 1,114	
<b>Gross margin:</b>		54.9%		53.5%
Cost of products and services	\$ 542		\$ 518	
Add:				
Intangible amortization	(17)		(18)	
Business exit and divestiture costs	(1)		—	
Transformational initiatives	(2)		(1)	
Acquisition and integration costs	(1)		(1)	
Other	—		2	
<b>Non-GAAP cost of products and services</b>	<b>\$ 521</b>	56.7%	<b>\$ 500</b>	55.1%

<b>RESEARCH &amp; DEVELOPMENT EXPENSES</b>	<b>Q3'18</b>	<b>R&amp;D as % of Revenue</b>	<b>Q3'17</b>	<b>R&amp;D as % of Revenue</b>
Revenue:	\$ 1,203		\$ 1,114	
Research and development expenses	\$ 97	8.1%	\$ 87	7.8%
Add:				
Acquisition and integration costs	—		(1)	
<b>Non-GAAP research and development expenses</b>	<b>\$ 97</b>	8.1%	<b>\$ 86</b>	7.7%

<b>SELLING, GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>Q3'18</b>	<b>SG&amp;A as % of Revenue</b>	<b>Q3'17</b>	<b>SG&amp;A as % of Revenue</b>
Revenue:	\$ 1,203		\$ 1,114	
Selling, general and administrative expenses	\$ 339	28.2%	\$ 308	27.6%
Add:				
Intangible amortization	(9)		(9)	
Transformational initiatives	(3)		(2)	
Acquisition and integration costs	(6)		(2)	
NASD site costs	(2)		—	
Special compliance costs	(1)		—	
Other	(2)		(3)	
<b>Non-GAAP selling, general &amp; administrative expenses</b>	<b>\$ 316</b>	26.2%	<b>\$ 292</b>	26.2%

We provide non-GAAP gross margin, selling, general & administrative and research & development expenses amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, NASD site costs, and special compliance costs.

Our management recognizes that items such as amortization of intangibles can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our statement of cash flows portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

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The preliminary reconciliation of income from operations and operating margins is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF ADJUSTED NON-GAAP INCOME FROM OPERATIONS AND OPERATING MARGINS**  
(In millions, except margin data)  
(Unaudited)  
**PRELIMINARY**

	Q3'18	Operating Margin %	Q3'17	Operating Margin %	Year Over Year Percent Pts Inc/(Dec)
<b>Revenue:</b>	\$ 1,203		\$ 1,114		
<b>Income from operations:</b>					
<b>GAAP Income from operations</b>	\$ 225	18.7%	\$ 201	18.0%	
Add:					
Intangible amortization	26		27		
Business exit and divestiture costs	1		—		
Transformational initiatives	5		3		
Acquisition and integration costs	7		4		
NASD site costs	2		—		
Special compliance costs	1		—		
Other	2		1		
<b>Non-GAAP income from operations</b>	<u>\$ 269</u>	22.3%	<u>\$ 236</u>	21.2%	
Reimbursement from Keysight for services <sup>(a)</sup>	3		3		
<b>Adjusted non-GAAP income from operations</b>	<u>\$ 272</u>	22.6%	<u>\$ 239</u>	21.5%	1.1%

<sup>(a)</sup> Post separation, Agilent is providing Keysight Technologies, Inc. certain site services. These site services are included in our operating expenses. The amounts billed to Keysight for these services are recorded in other income.

We provide non-GAAP income from operations and non-GAAP operating margins amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, NASD site costs, and special compliance costs.

Our management recognizes that items such as amortization of intangibles can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our statement of cash flows portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

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.

The preliminary reconciliation of income from operations and operating margins is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF ADJUSTED NON-GAAP INCOME FROM OPERATIONS AND OPERATING MARGINS**  
(In millions, except margin data)  
**(Unaudited)**  
**PRELIMINARY**

	Nine Months Ended July 31, 2018	Operating Margin %	Nine Months Ended July 31, 2017	Operating Margin %	Year Over Year Percent Pts Inc/(Dec)
<b>Revenue:</b>	\$ 3,620		\$ 3,283		
<b>Income from operations:</b>					
<b>GAAP Income from operations</b>	\$ 679	18.8%	\$ 608	18.5%	
Add:					
Intangible amortization	76		89		
Business exit and divestiture costs	9		—		
Transformational initiatives	14		5		
Acquisition and integration costs	14		25		
Pension settlement gain	(5)		(32)		
NASD site costs	6		—		
Special compliance costs	3		—		
Other	3		5		
<b>Non-GAAP income from operations</b>	<b>\$ 799</b>	<b>22.1%</b>	<b>\$ 700</b>	<b>21.3%</b>	
Reimbursement from Keysight for services <sup>(a)</sup>	9		9		
<b>Adjusted non-GAAP income from operations</b>	<b>\$ 808</b>	<b>22.3%</b>	<b>\$ 709</b>	<b>21.6%</b>	<b>0.7%</b>

<sup>(a)</sup> Post separation, Agilent is providing Keysight Technologies, Inc. certain site services. These site services are included in our operating expenses. The amounts billed to Keysight for these services are recorded in other income.

We provide non-GAAP income from operations and non-GAAP operating margins amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, pension settlement gain, NASD site costs, and special compliance costs.

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The preliminary reconciliation of income from operations and operating margins is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**NON-GAAP NET INCOME AND DILUTED EPS RECONCILIATIONS**  
(In millions, except per share amounts)  
(Unaudited)  
**PRELIMINARY**

	Q2'17		Q3'17		Q4'17		Q1'18		Q2'18		Q3'18		Nine Months Ended July 31, 2017		Nine Months Ended July 31, 2018	
	Net income	Diluted EPS	Net income	Diluted EPS	Net income	Diluted EPS	Net income (loss)	Diluted EPS	Net income	Diluted EPS	Net income	Diluted EPS	Net income (loss)	Diluted EPS	Net income	Diluted EPS
GAAP net income (loss)	\$ 164	\$ 0.50	\$ 175	\$ 0.54	\$ 177	\$ 0.54	\$ (320)	\$ (0.99) <sup>(b)</sup>	\$ 205	\$ 0.63	\$ 236	\$ 0.73	\$ 507	\$ 1.56	\$ 121	\$ 0.37
Non-GAAP adjustments:																
Intangible amortization	31	0.10	27	0.08	28	0.09	25	0.08	25	0.08	26	0.08	89	0.27	76	0.23
Business exit and divestiture costs	—	—	—	—	—	—	—	—	8	0.02	1	—	—	—	9	0.03
Transformational initiatives	—	—	3	0.01	7	0.02	5	0.02	5	0.02	4	0.01	5	0.02	14	0.04
Acquisition and integration costs	7	0.02	4	0.01	5	0.02	3	0.01	4	0.01	7	0.02	27	0.08	14	0.04
Pension settlement gain	—	—	—	—	—	—	(5)	(0.02)	—	—	—	—	(32)	(0.10)	(5)	(0.02)
Gain on step acquisition of Lasergen	—	—	—	—	—	—	—	—	—	—	(20)	(0.06)	—	—	(20)	(0.06)
NASD site costs	—	—	—	—	—	—	2	0.01	2	0.01	2	0.01	—	—	6	0.02
Special compliance costs	—	—	—	—	—	—	1	—	1	—	1	—	—	—	3	0.01
Other	2	0.01	1	—	—	—	—	—	(14)	(0.04)	2	0.01	5	0.02	(12)	(0.03)
Adjustment for Tax Reform	—	—	—	—	—	—	533	1.63	—	—	—	—	—	—	533	1.63
Adjustment for taxes <sup>(a)</sup>	(17)	(0.05)	(19)	(0.05)	1	—	(28)	(0.08)	(24)	(0.08)	(42)	(0.13)	(51)	(0.16)	(94)	(0.28)
Non-GAAP net income	\$ 187	\$ 0.58	\$ 191	\$ 0.59	\$ 218	\$ 0.67	\$ 216	\$ 0.66 <sup>(c)</sup>	\$ 212	\$ 0.65	\$ 217	\$ 0.67	\$ 550	\$ 1.69	\$ 645	\$ 1.98

<sup>(a)</sup> The adjustment for taxes excludes tax benefits that management believes are not directly related to on-going operations and which are either isolated or cannot be expected to occur again with any regularity or predictability. For the three months ended July 31, 2018, April 30, 2018 and January 31, 2018, management used a non-GAAP effective tax rate of 18.0%. For the three months ended October 31, 2017, July 31, 2017 and April 30, 2017, management used a non-GAAP effective tax rate of 18.0%, 16.2% and 19.0%, respectively.

<sup>(b)</sup> GAAP diluted net loss per share for the three months ended January 31, 2018 was computed using 323 million weighted average diluted shares which excludes from consideration the anti-dilutive effects of all potential common shares outstanding.

<sup>(c)</sup> Non-GAAP diluted net income per share for the three months ended January 31, 2018 was computed using 327 million weighted average diluted shares which includes the dilutive effects of potential common shares outstanding.

Historical amounts are reclassified to conform with current presentation.

We provide non-GAAP net income and non-GAAP net income per share amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, pension settlement gain, gain on step acquisition of Lasergen, NASD site costs, special compliance costs, and adjustment for Tax Reform.

**Business exit and divestiture costs** include costs associated with business divestitures.

**Transformational initiatives** include expenses associated with targeted cost reduction activities such as manufacturing transfers including costs to move manufacturing due to new tariffs and tariff remediation actions, site consolidations, legal entity and other business reorganizations, insourcing or outsourcing of activities. Such costs may include move and relocation costs, one-time termination benefits and other one-time reorganization costs. Included in this category are also expenses associated with company programs to transform our product lifecycle management (PLM) system and human resources and financial systems.

**Acquisition and integration costs** include all incremental expenses incurred to effect a business combination. Such acquisition costs may include advisory, legal, tax, accounting, valuation, and other professional or consulting fees. Such integration costs may include expenses directly related to integration of business and facility operations, the transfer of assets and intellectual property, information technology systems and infrastructure and other employee-related costs.

**Pension settlement gain** resulted from transfer of the substitutional portion of our Japanese pension plan to the government.

**Gain on step acquisition of Lasergen** resulted from the measurement at fair value of our equity interest held at the date of business combination.

**NASD site costs** include all the costs related to the expansion of our manufacturing of nucleic acid active pharmaceutical ingredients incurred prior to the commencement of commercial manufacturing.

**Special compliance costs** include costs associated with transforming our processes to implement new regulations such as the EU's General Data Protection Regulation (GDPR), revenue recognition and certain tax reporting requirements.

**Other** includes certain legal costs and settlements in addition to other miscellaneous adjustments.

**Adjustment for Tax Reform** primarily consists of an estimated provision of \$480 million for U.S. transition tax and correlative items on deemed repatriated earnings of non-U.S. subsidiaries and an estimated provision of \$53 million associated with the decrease in the U.S. corporate tax rate from 35% to 21% and its impact on our U.S. deferred tax assets and liabilities. The taxes payable associated with the transition tax, net of tax attributes, on deemed repatriation of foreign earnings is approximately \$440 million, payable over 8 years. The final impact of Tax Reform may differ materially from these estimates, due to, among other things, changes in interpretations, analysis and assumptions made, additional guidance that may be issued, and actions that we may undertake.

Our management uses non-GAAP measures to evaluate the performance of our core businesses, to estimate future core performance and to compensate employees. Since management finds this measure to be useful, we believe that our investors benefit from seeing our results "through the eyes" of management in addition to seeing our GAAP results. This information facilitates our management's internal comparisons to our historical operating results as well as to the operating results of our competitors.

Our management recognizes that items such as amortization of intangibles can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our statement of cash flows portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

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.

The preliminary non-GAAP net income and diluted EPS reconciliation is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATIONS OF REVENUE BY SEGMENT EXCLUDING**  
**ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)**  
(in millions)  
(Unaudited)  
**PRELIMINARY**

	Year-over-Year			
	GAAP			
<b>GAAP Revenue by Segment</b>	Q3'18	Q3'17	Year-over-Year % Change	
Life Sciences and Applied Markets Group	\$ 540	\$ 510	6%	
Diagnostics and Genomics Group	237	218	9%	
Agilent CrossLab Group	426	386	10%	
Agilent	<u>\$ 1,203</u>	<u>\$ 1,114</u>	8%	

  

	Non-GAAP (excluding Acquisitions & Divestitures)			Year-over-Year at Constant Currency <sup>(a)</sup>		Current Quarter Currency Impact <sup>(b)</sup>
<b>Non GAAP Revenue by Segment</b>	Q3'18	Q3'17	Year-over-Year % Change	Year-over-Year % Change	Percentage Point Impact from Currency	Current Quarter Currency Impact <sup>(b)</sup>
Life Sciences and Applied Markets Group	\$ 538	\$ 508	6%	5%	1 ppt	\$ 7
Diagnostics and Genomics Group	232	218	7%	5%	2 ppts	4
Agilent CrossLab Group	426	386	10%	8%	2 ppts	7
Agilent (Core)	<u>\$ 1,196</u>	<u>\$ 1,112</u>	8%	6%	2 ppts	<u>\$ 18</u>

We compare the year-over-year change in revenue excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business.

<sup>(a)</sup> The constant currency year-over-year growth percentage is calculated by recalculating all periods in the comparison period at the foreign currency exchange rates used for accounting during the last month of the current quarter, and then using those revised values to calculate the year-over-year percentage change.

<sup>(b)</sup> The dollar impact from the current quarter currency impact is equal to the total year-over-year dollar change less the constant currency year-over-year change.

The preliminary reconciliation of GAAP revenue adjusted for recent acquisitions and divestitures and impact of currency is estimated based on our current information.



**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATIONS OF REVENUE BY REGION EXCLUDING**  
**ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)**  
(in millions)  
(Unaudited)  
**PRELIMINARY**

<u>GAAP Revenue by Region</u>	Year-over-Year					
	GAAP					
	Q3'18	Q3'17	Year-over-Year % Change			
Revenue	\$ 1,203	\$ 1,114	8%			
Americas	412	378	9%			
Europe	339	326	4%			
Japan	53	51	3%			
China and Hong Kong	260	232	12%			
Rest of Asia Pacific	139	127	10%			
Total Revenue	<u>\$ 1,203</u>	<u>\$ 1,114</u>	8%			
Asia Pacific	\$ 452	\$ 410	10%			

  

<u>Non GAAP Revenue by Segment</u>	Non-GAAP (excluding Acquisitions & Divestitures)			Year-over-Year at Constant Currency <sup>(a)</sup>		Current Quarter Currency Impact <sup>(b)</sup>
	Year-over-Year			Year-over-Year	Percentage Point	
	Q3'18	Q3'17	% Change	% Change	Impact from Currency	
Revenue	\$ 1,196	\$ 1,112	8%	6%	2 pts	\$ 18
Americas	407	377	8%	9%	-1 ppt	—
Europe	337	325	4%	0%	4 pts	11
Japan	53	51	3%	1%	2 pts	—
China and Hong Kong	260	232	12%	10%	2 pts	6
Rest of Asia Pacific	139	127	10%	9%	1 ppt	1
Total Revenue (Core)	<u>\$ 1,196</u>	<u>\$ 1,112</u>	8%	6%	2 pts	<u>\$ 18</u>
Asia Pacific	\$ 452	\$ 410	10%	8%	2 pts	\$ 7

We compare the year-over-year change in revenue excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business.

<sup>(a)</sup> The constant currency year-over-year growth percentage is calculated by recalculating all periods in the comparison period at the foreign currency exchange rates used for accounting during the last month of the current quarter, and then using those revised values to calculate the year-over-year percentage change.

<sup>(b)</sup> The dollar impact from the current quarter currency impact is equal to the total year-over-year dollar change less the constant currency year-over-year change.

The preliminary reconciliation of GAAP revenue adjusted for recent acquisitions and divestitures and impact of currency is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF CORE NON-GAAP INCOME FROM OPERATIONS**  
(In millions, except margin data)  
(Unaudited)  
**PRELIMINARY**

	Q3'18	Q3'17
<b>Revenue:</b>	\$ 1,203	\$ 1,114
<b>Income from operations:</b>		
<b>GAAP Income from operations</b>	<b>\$ 225</b>	<b>\$ 201</b>
Add:		
Intangible amortization	26	27
Business exit and divestiture costs	1	—
Transformational initiatives	5	3
Acquisition and integration costs	7	4
NASD site costs	2	—
Special compliance costs	1	—
Other	2	1
<b>Non-GAAP income from operations</b>	<b>\$ 269</b>	<b>\$ 236</b>
Less: Currency impact	4	1
Add: Acquisitions and divestitures	7	—
<b>Core non-GAAP income from operations</b>	<b>\$ 272</b>	<b>\$ 235</b>

We provide non-GAAP income from operations amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, NASD site costs, and special compliance costs.

We compare the year-over-year change in core non-GAAP income from operations excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business.

Our management recognizes that items such as amortization of intangibles can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our statement of cash flows portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

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.

The preliminary reconciliation of income from operations and operating margins is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF CORE NON-GAAP INCOME FROM OPERATIONS**  
(In millions, except margin data)  
(Unaudited)  
**PRELIMINARY**

	Q2'18	Q2'17
<b>Revenue:</b>	<b>\$ 1,206</b>	<b>\$ 1,102</b>
<b>Income from operations:</b>		
<b>GAAP Income from operations</b>	<b>\$ 215</b>	<b>\$ 201</b>
Add:		
Intangible amortization	25	31
Business exit and divestiture costs	8	—
Transformational initiatives	5	—
Acquisition and integration costs	4	7
NASD site costs	2	—
Special compliance costs	1	—
Other	1	2
<b>Non-GAAP income from operations</b>	<b>\$ 261</b>	<b>\$ 241</b>
Less: Currency impact	6	2
Add: Acquisitions and divestitures	—	—
<b>Core non-GAAP income from operations</b>	<b>\$ 255</b>	<b>\$ 239</b>

We provide non-GAAP income from operations amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, NASD site costs, and special compliance costs.

We compare the year-over-year change in core non-GAAP income from operations excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business.

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The preliminary reconciliation of income from operations and operating margins is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF CORE NON-GAAP INCOME FROM OPERATIONS**  
(In millions, except margin data)  
(Unaudited)  
**PRELIMINARY**

	Q1'18	Q1'17
<b>Revenue:</b>	<b>\$ 1,211</b>	<b>\$ 1,067</b>
<b>Income from operations:</b>		
<b>GAAP Income from operations</b>	<b>\$ 239</b>	<b>\$ 206</b>
Add:		
Intangible amortization	25	31
Transformational initiatives	4	2
Acquisition and integration costs	3	14
Pension settlement gain	(5)	(32)
NASD site costs	2	—
Special compliance costs	1	—
Other	—	2
<b>Non-GAAP income from operations</b>	<b>\$ 269</b>	<b>\$ 223</b>
Less: Currency impact	11	—
Add: Acquisitions and divestitures	2	—
<b>Core non-GAAP income from operations</b>	<b>\$ 260</b>	<b>\$ 223</b>

We provide non-GAAP income from operations amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, pension settlement gain, NASD site costs, and special compliance costs.

We compare the year-over-year change in core non-GAAP income from operations excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business.

Our management recognizes that items such as amortization of intangibles can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our statement of cash flows portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

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.

The preliminary reconciliation of income from operations and operating margins is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF INCREMENTAL REVENUE DOLLAR TO INCOME FROM OPERATIONS**  
**(IN MILLIONS)**  
**PRELIMINARY**

	Q3'18	Q3'17	Year over Year \$ Change      Incremental	
<b>GAAP</b>				
Revenue	\$ 1,203	\$ 1,114	\$ 89	
Income from operations	\$ 225	\$ 201	\$ 24	27%
<b>Non-GAAP</b>				
Revenue	\$ 1,203	\$ 1,114	\$ 89	
Income from operations	\$ 269	\$ 236	\$ 33	37%
<b>Core</b>				
Revenue	\$ 1,178	\$ 1,112	\$ 66	
Income from operations <sup>(a)</sup>	\$ 272	\$ 235	\$ 37	55%
<b>Percentage point impact from currency</b>				<b>18%</b>

	Q2'18	Q2'17	Year over Year \$ Change      Incremental	
<b>GAAP</b>				
Revenue	\$ 1,206	\$ 1,102	\$ 104	
Income from operations	\$ 215	\$ 201	\$ 14	13%
<b>Non-GAAP</b>				
Revenue	\$ 1,206	\$ 1,102	\$ 104	
Income from operations	\$ 261	\$ 241	\$ 20	20%
<b>Core</b>				
Revenue	\$ 1,148	\$ 1,101	\$ 47	
Income from operations <sup>(b)</sup>	\$ 255	\$ 239	\$ 16	34%
<b>Percentage point impact from currency</b>				<b>14%</b>

	Q1'18	Q1'17	Year over Year \$ Change      Incremental	
<b>GAAP</b>				
Revenue	\$ 1,211	\$ 1,067	\$ 144	
Income from operations	\$ 239	\$ 206	\$ 33	23%
<b>Non-GAAP</b>				
Revenue	\$ 1,211	\$ 1,067	\$ 144	
Income from operations	\$ 269	\$ 223	\$ 46	32%
<b>Core</b>				
Revenue	\$ 1,169	\$ 1,066	\$ 103	
Income from operations <sup>(c)</sup>	\$ 260	\$ 223	\$ 37	36%
<b>Percentage point impact from currency</b>				<b>4%</b>

We compare the year-over-year change in revenue excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business. See reconciliation provided on page 15.

<sup>(a)</sup> See reconciliation provided on page 17.

<sup>(b)</sup> See reconciliation provided on page 18.

<sup>(c)</sup> See reconciliation provided on page 19.

The preliminary reconciliation of incremental change is estimated based on our current information.