

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

	Three Months Ended January 31,		Percent Inc/(Dec)
	2003	2002	
Orders	\$ 1,358	\$ 1,465	(7%)
Net revenue	\$ 1,412	\$ 1,426	(1%)
Costs and expenses:			
Cost of products and services	883	920	(4%)
Research and development	277	317	(13%)
Selling, general and administrative	508	631	(19%)
Total costs and expenses	<u>1,668</u>	<u>1,868</u>	(11%)
Loss from operations	(256)	(442)	42%
Other income (expense), net	<u>4</u>	<u>19</u>	(79%)
Loss from continuing operations before taxes	(252)	(423)	40%
Benefit for taxes	<u>(140)</u>	<u>(106)</u>	32%
Loss from continuing operations	(112)	(317)	65%
Gain from sale of discontinued operations (net of taxes)	<u>-</u>	<u>2</u>	
Loss before cumulative effect of accounting changes	(112)	(315)	64%
Cumulative effect of adopting SFAS No. 142 (net of tax benefit of \$11 million)	<u>(257)</u>	<u>-</u>	
Net loss	<u>\$ (369)</u>	<u>\$ (315)</u>	(17%)
<b>Net (loss) earnings per share - Basic and diluted:</b>			
Loss from continuing operations	\$ (0.24)	\$ (0.68)	
Gain from sale of discontinued operations, net	-	-	
Cumulative effect of adopting SFAS No. 142, net	(0.54)	-	
Net loss	<u>\$ (0.78)</u>	<u>\$ (0.68)</u>	
Weighted average shares used in computing loss per share:			
Basic and diluted	471	463	

Historical amounts have been reclassified to conform with current period presentation.

**AGILENT TECHNOLOGIES, INC.**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**Excluding Restructuring, Amortization of Intangibles and**  
**Other One-Time and Non-Operational Items**  
(In millions, except per share amounts)  
(Unaudited)

	Three Months Ended January 31,		Percent Inc/(Dec)
	2003	2002	
Orders	\$ 1,358	\$ 1,465	(7%)
Net revenue	\$ 1,412	\$ 1,426	(1%)
Costs and expenses:			
Cost of products and services	867	862	1%
Research and development	273	305	(10%)
Selling, general and administrative	474	500	(5%)
Total costs and expenses	<u>1,614</u>	<u>1,667</u>	(3%)
Loss from operations	(202)	(241)	16%
Other income (expense), net	<u>7</u>	<u>14</u>	(50%)
Loss before taxes	(195)	(227)	14%
Benefit for taxes	(86)	(93)	(8%)
Pro forma net loss	<u>\$ (109)</u>	<u>\$ (134)</u>	19%
Pro forma net loss per share:			
Basic and diluted	\$ (0.23)	\$ (0.29)	
Weighted average shares used in computing pro forma net loss per share:			
Basic and diluted	471	463	

**The above pro forma condensed consolidated statement of operations has been adjusted to exclude the following one-time and non-operational items and reconcile to GAAP net loss:**

Net loss per GAAP	\$ (369)	\$ (315)
Pro forma adjustments:		
Goodwill	-	83
Other intangibles (including in-process R&D)	12	13
Restructuring	42	105
Asset Impairment	5	-
SFAS No. 142 adoption	268	-
Discontinued operations	-	(3)
Gain on sale of assets	(2)	(5)
Adjustment for income taxes	(65)	(12)
Pro forma net loss	<u>\$ (109)</u>	<u>\$ (134)</u>

We provide pro forma financial information to help the reader better understand our operating results. This information is not in accordance with, or an alternative for, generally accepted accounting principles and may be different from the pro forma information provided by other companies.

Historical amounts have been reclassified to conform with current period presentation.

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

	January 31, 2003	October 31, 2002
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,754	\$ 1,844
Accounts receivable, net	930	1,118
Inventory	1,166	1,184
Current deferred tax assets	451	462
Other current assets	258	272
Total current assets	4,559	4,880
Property, plant and equipment, net	1,571	1,579
Goodwill and other intangible assets, net	422	685
Long-term deferred tax assets	796	635
Other assets	422	424
Total assets	\$ 7,770	\$ 8,203
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 290	\$ 305
Employee compensation and benefits	627	733
Deferred revenue	256	244
Income and other taxes payable	387	325
Other accrued liabilities	463	574
Total current liabilities	2,023	2,181
Senior convertible debentures	1,150	1,150
Other liabilities	248	245
Total liabilities	3,421	3,576
Commitments and contingencies	-	-
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; 467 million shares at October 31, 2002 and 471 million shares at January 31, 2003 issued and outstanding	5	5
Additional paid-in capital	4,922	4,872
Accumulated deficit	(470)	(101)
Accumulated comprehensive loss	(108)	(149)
Total stockholders' equity	4,349	4,627
Total liabilities and stockholders' equity	\$ 7,770	\$ 8,203

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

	Three months ended January 31, 2003
Cash flows from operating activities:	
Net loss	\$ (369)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	82
Inventory-related charges	(1)
Deferred taxes	(149)
Asset impairment charges	10
Net loss on sale of assets	4
Adoption of SFAS No. 142	268
Changes in assets and liabilities:	
Accounts receivable	192
Inventory	32
Accounts payable	(9)
Employee compensation and benefits	(106)
Income taxes	33
Other current assets and liabilities	(60)
Other long-term assets and liabilities	(3)
Net cash used in operating activities *:	(76)
Cash flows from investing activities:	
Investments in property, plant and equipment	(61)
Dispositions of property, plant and equipment	1
Purchase of equity investments	(2)
Net cash used in investing activities:	(62)
Cash flows from financing activities:	
Issuance of common stock under employee stock plans	50
Net payments to notes payable and short-term borrowings	(2)
Net cash provided by financing activities:	48
Change in cash and cash equivalents	(90)
Cash and cash equivalents at beginning of period	1,844
Cash and cash equivalents at end of period	1,754

\* Cash payments for restructuring included in operating activities: 43

**AGILENT TECHNOLOGIES, INC.**  
**TEST AND MEASUREMENT INFORMATION**  
(In millions, except percent changes)  
(Unaudited)

	Three months ended January 31, 2003	Three months ended January 31, 2002	Yr vs.Yr % change	Three months ended October 31, 2002	Sequential % change
Orders	\$ 594	\$ 647	(8%)	\$ 673	(12%)
Net Revenue	\$ 633	\$ 684	(7%)	\$ 747	(15%)
Loss from operations	\$ (132)	\$ (171)	23%	\$ (107)	(23%)

**Q1 FY03 vs Q4 FY02 BY MARKET SEGMENT**

	Orders			Net Revenue		
	Q1 FY03 \$ Amount	Sequential % change	% of Segment	Q1 FY03 \$ Amount	Sequential % change	% of Segment
Communications test	\$ 420	(9%)	71%	\$ 453	(16%)	72%
General purpose test	174	(18%)	29%	180	(14%)	28%
	<u>\$ 594</u>	<u>(12%)</u>	<u>100%</u>	<u>\$ 633</u>	<u>(15%)</u>	<u>100%</u>

**Q1 FY03 vs Q1 FY02 BY MARKET SEGMENT**

	Orders		Net Revenue	
	Q1 FY03 \$ Amount	Yr vs.Yr % change	Q1 FY03 \$ Amount	Yr vs.Yr % change
Communications test	\$ 420	(5%)	\$ 453	(6%)
General purpose test	174	(15%)	180	(10%)
	<u>\$ 594</u>	<u>(8%)</u>	<u>\$ 633</u>	<u>(7%)</u>

Loss from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with accounting principles generally accepted in the United States (GAAP). Loss from operations of our reporting segments excludes restructuring, amortization of intangibles, other one-time and non-operational charges and some residual corporate charges.

In general, recorded orders represent firm purchase commitments from our customers with established terms and conditions for products and services that will be delivered within six months.

Historical amounts have been reclassified to conform with current period presentation.

**AGILENT TECHNOLOGIES, INC.**  
**SEMICONDUCTOR PRODUCTS INFORMATION**  
(In millions, except percent changes)  
(Unaudited)

	Three months ended January 31, 2003	Three months ended January 31, 2002	Yr vs.Yr % change	Three months ended October 31, 2002	Sequential % change
Orders	\$ 381	\$ 346	10%	\$ 363	5%
Net Revenue	\$ 367	\$ 327	12%	\$ 471	(22%)
(Loss) earnings from operations	\$ (48)	\$ (61)	21%	\$ 21	(329%)

**Q1 FY03 vs Q4 FY02 BY MARKET SEGMENT**

	Orders			Net Revenue		
	Q1 FY03 \$ Amount	Sequential % change	% of Segment	Q1 FY03 \$ Amount	Sequential % change	% of Segment
Networking	\$ 131	7%	34%	\$ 125	(4%)	34%
Personal systems	250	4%	66%	242	(29%)	66%
	<u>\$ 381</u>	5%	<u>100%</u>	<u>\$ 367</u>	(22%)	<u>100%</u>

**Q1 FY03 vs Q1 FY02 BY MARKET SEGMENT**

	Orders		Net Revenue	
	Q1 FY03 \$ Amount	Yr vs.Yr % change	Q1 FY03 \$ Amount	Yr vs.Yr % change
Networking	\$ 131	11%	\$ 125	(2%)
Personal systems	250	10%	242	21%
	<u>\$ 381</u>	10%	<u>\$ 367</u>	12%

Loss from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with accounting principles generally accepted in the United States (GAAP). Loss from operations of our reporting segments excludes restructuring, amortization of intangibles, other one-time and non-operational charges and some residual corporate charges.

In general, recorded orders represent firm purchase commitments from our customers with established terms and conditions for products that will be delivered within six months.

Historical amounts have been reclassified to conform with current period presentation.

**AGILENT TECHNOLOGIES, INC.**  
**AUTOMATED TEST INFORMATION**  
(In millions, except percent changes)  
(Unaudited)

	Three months ended January 31, 2003	Three months ended January 31, 2002	Yr vs.Yr % change	Three months ended October 31, 2002	Sequential % change
Orders	\$ 115	\$ 185	(38%)	\$ 151	(24%)
Net Revenue	\$ 136	\$ 138	(1%)	\$ 220	(38%)
(Loss) earnings from operations	\$ (48)	\$ (44)	(9%)	\$ 9	(633%)

**Q1 FY03 vs Q4 FY02 BY MARKET SEGMENT**

	Orders			Net Revenue		
	Q1 FY03 \$ Amount	Sequential % change	% of Segment	Q1 FY03 \$ Amount	Sequentia % change	% of Segment
Semiconductor test	\$ 86	(25%)	75%	\$ 107	(42%)	79%
Manufacturing test*	29	(19%)	25%	29	(19%)	21%
	<u>\$ 115</u>	(24%)	<u>100%</u>	<u>\$ 136</u>	(38%)	<u>100%</u>

**Q1 FY03 vs Q1 FY02 BY MARKET SEGMENT**

	Orders		Net Revenue	
	Q1 FY03 \$ Amount	Yr vs.Yr % change	Q1 FY03 \$ Amount	Yr vs.Yr % change
Semiconductor test	\$ 86	(44%)	\$ 107	(1%)
Manufacturing test*	29	(9%)	29	(3%)
	<u>\$ 115</u>	(38%)	<u>\$ 136</u>	(1%)

\*Amounts presented as manufacturing test were previously included in TMO's general purpose test.

Loss from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with accounting principles generally accepted in the United States (GAAP). Loss from operations of our reporting segments excludes restructuring, amortization of intangibles, other one-time and non-operational charges and some residual corporate charges.

In general, recorded orders represent firm purchase commitments from our customers with established terms and conditions for products and services that will be delivered within six months.

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**AGILENT TECHNOLOGIES, INC.**  
**LIFE SCIENCES AND CHEMICAL ANALYSIS INFORMATION**  
(In millions, except percent changes)  
(Unaudited)

	Three months ended January 31, 2003	Three months ended January 31, 2002	Yr vs.Yr % change	Three months ended October 31, 2002	Sequential % change
Orders	\$ 268	\$ 287	(7%)	\$ 308	(13%)
Net Revenue	\$ 276	\$ 277	0%	\$ 298	(7%)
Earnings from operations	\$ 34	\$ 35	(3%)	\$ 43	(21%)

Loss from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with accounting principles generally accepted in the United States (GAAP). Loss from operations of our reporting segments excludes restructuring, amortization of intangibles, other one-time and non-operational charges and some residual corporate charges.

In general, recorded orders represent firm purchase commitments from our customers with established terms and conditions for products and services that will be delivered within six months.

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**AGILENT TECHNOLOGIES, INC.**  
**ORDERS AND NET REVENUE FROM CONTINUING OPERATIONS**  
**BY GEOGRAPHY**  
**For The Three Months Ended January 31**  
(In millions, except percent changes)  
(Unaudited)

			Percent Inc/(Dec)	
	2003	2002	USD	Local Currency
ORDERS				
Americas	\$ 496	\$ 638	(22%)	(22%)
Europe	295	298	(1%)	(2%)
Asia Pacific	567	529	7%	7%
Total	<u>\$ 1,358</u>	<u>\$ 1,465</u>	(7%)	(7%)
NET REVENUE				
Americas	\$ 576	\$ 596	(3%)	
Europe	296	305	(3%)	
Asia Pacific	540	525	3%	
Total	<u>\$ 1,412</u>	<u>\$ 1,426</u>	(1%)	

In general, recorded orders represent firm purchase commitments from our customers with established terms and conditions for products and services that will be delivered within six months.