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## Agilent Technologies Inc. F2Q09 (Qtr End 04/30/09) Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Certainly. (Operator Instructions) Your first question comes from William Stein - Credit Suisse.

#### William Stein - Credit Suisse

Wondering if we could talk about guidance by segment for year-over-year growth between the two quarters. Are we expecting to see a deeper year-over-year decline in third quarter or the fourth quarter? Can you talk about, you know, how that's going to progress? And then I have a follow up.

#### William P. Sullivan

Again as I had mentioned the predominant issue is our Electronic Measurement group which the two reporting segments of Electronic Measurement, Semiconductor Board Tests and the continued deterioration is in that organization in Q3. We typically always have a seasonally higher Q4. It's usually the highest quarter. So the low point we believe if our order scenario holds out will be in Q3.

#### William Stein - Credit Suisse

And the cost savings, the \$525 million number that was mentioned, I think includes some actions that have been completed here in Q2. Can you talk about what's left of that \$525 million and where it's going to show up in the model, presumably mostly in EM but if you could be more specific that would be helpful.

#### Adrian T. Dillon

Yes, Will, this is Adrian. Let me try that. We announced back in December a \$65 million restructuring that would be completed in the fourth quarter and that one is more than halfway completed at this point. In February we announced a \$150 million restructuring of our global infrastructure operations that would also be completed by the end of this year, and we are about 60%, let's call it half, 50% done at this point. So we got a very quick start on that. And we just announced in March 26 the restructuring of our Electronic Measurement and Semiconductor Board Test businesses and that was the \$310 million restructuring, and we're about 20% done with that. And again that's not scheduled to be completed until the second quarter of '10.

#### William P. Sullivan

And then our goal as you recall in addition to the restructuring we have also of course had the automatic adjustment or Agilent variable pay that we instituted years ago at a target of 10%. And

then secondly we have a 10% salary reduction. And so the plans that we have to get Electronic Measurement back to double digit profits of Q2 of 2010 and essentially flat revenues of this quarter's revenue assumes the restoration of pay for our employees. And so again we have a very robust self consistent plan to be able to resize the company while continue to invest in future technologies and assure our employees become salary whole as we move into 2010.

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