Safe Harbor

This presentation contains forward-looking statements (including, without limitation, information and future guidance on the company’s goals, priorities, revenue, revenue growth, earnings per share, operating margin, operating cash flow, capital expenditures, capital allocation, growth opportunities, new products and solutions, customer service and innovation plans, financial condition and considerations, share repurchases, dividends, the markets the company sells into, operations, manufacturing site plans and tax rates) that involve risks and uncertainties that could cause results of Agilent to differ materially from management’s current expectations. The words “anticipate,” “plan,” “estimate,” “expect,” “intend,” “will,” “should,” “forecast,” “project” and similar expressions, as they relate to the company, are intended to identify forward-looking statements.

In addition, other risks that the company faces in running its operations include the ability to execute successfully through business cycles; the ability to successfully adapt its cost structures to continuing changes in business conditions; ongoing competitive, pricing and gross margin pressures; the risk that our strategic and cost-cutting initiatives will impair our ability to develop products and remain competitive and to operate effectively; the impact of geopolitical uncertainties on our markets and our ability to conduct business; the impact of currency exchange rates on our financial results; the ability to improve asset performance to adapt to changes in demand; the ability to successfully introduce new products at the right time, price and mix, and other risks detailed in the company's filings with the Securities and Exchange Commission, including our quarterly report on Form 10-Q for the quarter ended April 30, 2019.

The company assumes no obligation to update the information in these presentations. These presentations and the Q&A that follows include non-GAAP measures. Non-GAAP measures exclude primarily the impacts of acquisition and integration costs, transformational initiatives, business exits and divestitures, and step-up gains on the initial Lasergen investment. We also exclude any tax benefits that are not directly related to ongoing operations and which are either isolated or are not expected to occur again with any regularity or predictability, including the impact of Tax Reform. Most of these excluded amounts pertain to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy. Accordingly, no reconciliation to GAAP amounts has been provided.
Agilent Technologies
Premium Portfolio, Global Scale, Positioned for Growth

Leadership in steadily growing end-markets

$52B (1)
TAM in 6 end markets

Attractive recurring revenue base

265,000
Most of the world’s labs using Agilent solutions

FY18 financial results

$4.9B 22.5% (3)
Revenue Operating Margin

Geographic Revenue Mix (2)

34% Americas
29% Europe
37% Asia

Market domain (2)

Diagnostics 15%
Life Sciences 39%
Applied Markets 46%

Revenue type (2)

Services, Consumables & Informatics (4) 59%
Instruments 41%

(1) TAM = Total Available Market. Market size per Company estimates; (2) FY18 Revenue, (3) FY18 Operating Margin presented on a non-GAAP basis, reconciliations to closest GAAP equivalent provided. Restated to reflect new pension accounting standard (ASC715) adopted in FY19. (4) Includes Services, Consumables, Informatics, Diagnostic and Genomics Products
## Agilent Businesses

<table>
<thead>
<tr>
<th>Life Sciences &amp; Applied Markets (LSAG)</th>
<th>Agilent CrossLab (ACG)</th>
<th>Diagnostics &amp; Genomics (DGG)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.3B$(^{(1)})</td>
<td>$1.7B$(^{(1)})</td>
<td>$0.9B$(^{(1)})</td>
</tr>
<tr>
<td>24%(^{(2)})</td>
<td>23%(^{(2)})</td>
<td>18%(^{(2)})</td>
</tr>
</tbody>
</table>

**Instrumentation and software solutions for Analytical Laboratories**
- Chromatography
- Spectrometry
- Spectroscopy
- Informatics

**Lab Enterprise Management solutions for the Analytical and Clinical Lab**
- Services
- Consumables

**Solutions and tools for Clinical and Clinical Research Laboratories**
- Pathology
- Genomics Products
- Nucleic Acid Solutions

---

(1) FY18 Revenue, (2) FY18 Operating Margin presented on a non-GAAP basis, reconciliations to closest GAAP equivalent provided,
Agilent Transformation
Measures of Success

- **Outgrow the market**
  Core growth in 6-7% range each of past 4 years

- **Expand operating margins**
  >500 bps margin expansion 2015-2018

- **Balanced approach to capital allocation**
  $3.6B in capital deployed 2015-2018:
  $2.0B returned to shareholders
  $1.6B invested in business
Agilent Transformation
Growing Revenue Mix beyond “the Box”

In all years, revenue mix reflects “revenue type” attribution consistent with 2018 10-K disclosure method. 2008 and 2014 restated to reflect current Agilent business only.

“Non-instruments” includes Services, Consumables, Informatics, Diagnostic and Genomics Products.
Key FY18 Results
Revenue Growth, Margin Expansion, Balanced Capital Allocation

- **Revenue Growth**: 7.1%\(^{(1)}\) on core basis
- Expanded **Operating Margin**: up 80 bps to 22.5%\(^{(2)}\)
- Adjusted **EPS**\(^{(2)}\) of $2.79, up 18%
- **Capital Deployment**:
  - Cash Dividends: $191M
  - Share Repurchases: $422M
  - M&A and CapEx Investments: $693M
- **Operating Cash Flow** of $1,087M

---

\(^{(1)}\) Core revenue growth excludes impact of changes in currency translation and M&A
\(^{(2)}\) Presented on a non-GAAP basis. Reconciliations to closest GAAP equivalent provided
FY19 Guidance
As of May 14, 2019 based on April 30, 2019 exchange rates

- **Revenue**: $5.085B to $5.125B: core growth 4.0 to 4.8%\(^{(1)}\)
- **EPS\(^{(3)}\)**: $3.03 to $3.07: assumed diluted share count 319M
- **Operating Cash Flow** of $1,025-1,075M; CapEx of $170M
- **Returns to Shareholders**
  - $210M in dividends
  - New authorization to repurchase up to $1.75B\(^{(2)}\) of shares depending on market conditions.
  - Forecast of $0.5B of opportunistic repurchases in 2H of 2019.

---

\(^{(1)}\) Core revenue growth excludes impact of changes in currency translation and M&A.

\(^{(2)}\) Per 10b5-1 effective November 20, 2018: 2.7M shares via systematic daily purchases with the remainder on formulaic / opportunistic purchases.
## Strong Positions across all end-markets

<table>
<thead>
<tr>
<th>% of Revenue (^{(1)})</th>
<th>End-markets (^{(2)})</th>
<th>TAM</th>
<th>LT market growth</th>
<th>Market position</th>
</tr>
</thead>
<tbody>
<tr>
<td>24%</td>
<td>Chemical &amp; Energy</td>
<td>$4B</td>
<td>2-4%</td>
<td>#1</td>
</tr>
<tr>
<td>12%</td>
<td>Environment &amp; Forensics</td>
<td>$5B</td>
<td>2-4%</td>
<td>#2</td>
</tr>
<tr>
<td>10%</td>
<td>Food</td>
<td>$5B</td>
<td>3-5%</td>
<td>#2</td>
</tr>
<tr>
<td>30%</td>
<td>Pharma</td>
<td>$16B</td>
<td>4-6%</td>
<td>#2</td>
</tr>
<tr>
<td>9%</td>
<td>Academia &amp; Government</td>
<td>$11B</td>
<td>3-5%</td>
<td>#2</td>
</tr>
<tr>
<td>15%</td>
<td>Clinical &amp; Diagnostics</td>
<td>$11B</td>
<td>5-7%</td>
<td>#2-3</td>
</tr>
<tr>
<td>100%</td>
<td></td>
<td>$52B</td>
<td>3-5%</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) % of FY18 Agilent Revenue  \(^{(2)}\) TAM= Served Available Market. Market size, growth and position per Company estimates.
Innovation with Purpose
Driving Growth in the Analytical Lab
Meeting the critical scientific and economic needs of the lab

Robust, easy to use instrumentation. Integrated work-flow solutions.

Cell Analysis
Seahorse

Spectroscopy
8900 ICP-QQQ/MS

Mass Spec
Ultivo LC/MS QQQ

Consumables
Market Specific Workflows, Rapidly Expanding Portfolio

Liquid Chromatography
Infinity Lab LC solutions

Gas Chromatography
9000 Intuvo GC

Software & Informatics
OpenLAB

Enterprise Solutions & Services
Asset management tools, expanding services portfolio, extending customer reach with digital platforms
Geographic Penetration
Extending Market Leadership

Building on Strength

• Expanding footprint and e-commerce capabilities

• Leverage large instrument installed base for aftermarket growth

• Build Clinical and Diagnostics Franchise

• Country Specific Solutions and Portfolio

• Strong team: 2,000+ employees in China

China 21% of Agilent’s revenue today...

[Diagram showing pie charts with data]

30% of LSAG
17% of ACG
6% of DGG

...but opportunity varies significantly by group.
Growth through M&A
Complements our Organic Growth

$1.3B deployed, aligned with our growth strategies

- CARTAGENIA
- Multiplicom
- Lasergen
- ADVANCED ANALYTICAL
- Clinical NGS Workflow
- cobalt
- PROzyme
- High growth complementary platforms
- Differentiated Consumables
- iLab Solutions
- Genohm
- Software & Informatics
- Seahorse Bioscience
- Cell Analysis

One Agilent Integration

“The Power of One Agilent”
Leads to increased growth, lower costs

- One Company
- One Culture
- One ERP
- One set of shared services
- One Customer Interface

Markets We Know, High Growth Business, Differentiated Teams
LSAG
Lead The Analytical Lab
LSAG Leads the Analytical Labs
Through One Global Go-to-Market Model

Why Customers Choose Agilent

Lab manager: Ensure 100% uptime with round-the-clock operations

Research Scientist: Solution that best supports research needs

Procurement: Lowest cost-of-ownership, highest quality

5 Divisions
- Mass Spectrometry
- Gas Phase
- Liquid Phase
- Spectroscopy & Vacuum
- Software & Informatics

1 Global sales force

Serving 5 end-markets

Agilent Technologies
### Key growth initiatives

<table>
<thead>
<tr>
<th>Expand Pharma and A&amp;G</th>
<th>New solutions for large molecule analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leverage Seahorse solutions and expand cell analysis footprint</td>
</tr>
<tr>
<td>Grow share in LC &amp; LC-MS</td>
<td>Accelerate Mass spec and multi-omics with tailored HW and SW solutions</td>
</tr>
<tr>
<td></td>
<td>Applied and clinical research market penetration</td>
</tr>
<tr>
<td>OpenLAB</td>
<td>Introduce unified chromatography informatics solutions</td>
</tr>
</tbody>
</table>
ACG
Win in Lab Productivity
ACG Strategic Direction

Improving the science and economics of the laboratory

Distinct position in the market with CrossLab brand promise

Complete solutions + Higher business value services + Differentiated customer experience
## Key growth initiatives

<table>
<thead>
<tr>
<th>Win with CrossLab</th>
<th>Leverage informatics to expand enterprise solutions offerings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differentiated customer experience</td>
<td></td>
</tr>
<tr>
<td>Evolve enterprise solutions to deliver greater outcomes</td>
<td></td>
</tr>
<tr>
<td>Expand portfolio breadth through innovation</td>
<td></td>
</tr>
<tr>
<td>Capitalize on geographic opportunities</td>
<td></td>
</tr>
</tbody>
</table>
Clinical markets increasingly require fully integrated solutions, creating a significant opportunity for Agilent.

- **Highest quality & patient safety**: Through regulatory compliance.
- **Meeting customer needs**: By providing complete workflows.
- **Optimizing healthcare spending**: ...and enabling precision medicine.

Agilent is among the very few with the global commercial reach, technology leadership and ability to successfully drive products through the clinical continuum needed to capture the opportunity.
DGG’s four strategic opportunities each utilize Agilent's core strengths in selected domains

- Fight cancer
- Enable new discoveries
- Improve the quality of life
- Partner for novel therapeutics & diagnostics
Appendix and Financial Reconciliations
Relation of Agilent Segments to End-Markets

<table>
<thead>
<tr>
<th>% of Agilent Revenue(1)</th>
<th>End-markets</th>
<th>LSAG</th>
<th>ACG</th>
<th>DGG</th>
</tr>
</thead>
<tbody>
<tr>
<td>24%</td>
<td>Chemical &amp; Energy</td>
<td>30%</td>
<td>29%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>12%</td>
<td>Environment &amp; Forensics</td>
<td>15%</td>
<td>13%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>10%</td>
<td>Food</td>
<td>13%</td>
<td>11%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>30%</td>
<td>Pharma</td>
<td>30%</td>
<td>36%</td>
<td>20%</td>
</tr>
<tr>
<td>9%</td>
<td>Academia &amp; Government</td>
<td>10%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>15%</td>
<td>Clinical &amp; Diagnostics</td>
<td>2%</td>
<td>4%</td>
<td>69%</td>
</tr>
</tbody>
</table>

(1) % FY18 Agilent Revenue
Revenue:
Life Sciences and Applied Markets Group (LSAG) $2,270
Agilent Crosslab Group (ACG) 1,701
Total LSAG and ACG revenue 3,971
Diagnostics and Genomics Group (DGG) 943
Agilent GAAP Revenue $4,914

Income from operations:
GAAP Income from operations $904 18.4%
Add:
Asset impairments $21
Intangible amortization 105
Business exit and divestiture costs 9
Transformational initiatives 25
Acquisition and integration costs 23
NASD site costs 8
Special compliance costs 4
Other 5
Non-GAAP income from operations $1,104 22.5%

Breakdown of reportable segment income from operations:
Life Sciences and Applied Markets Group (LSAG) $543 23.9%
Agilent Crosslab Group (ACG) 388 22.8%
Total LSAG and ACG income from operations $931 23.4%
Diagnostics and Genomics Group 173 18.4%
Agilent Non-GAAP income from operations $1,104 22.5%

We provide non-GAAP income from operations 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 asset impairments, 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.
<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>Operating Margin %</th>
<th>FY 2017</th>
<th>Operating Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agilent GAAP Revenue</td>
<td>$ 4,914</td>
<td></td>
<td>$ 4,472</td>
<td></td>
</tr>
<tr>
<td>Income from operations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP Income from operations</td>
<td>$ 904</td>
<td>18.4%</td>
<td>$ 807</td>
<td>18.0%</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset impairments</td>
<td>$ 21</td>
<td></td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Intangible amortization</td>
<td>105</td>
<td></td>
<td>117</td>
<td></td>
</tr>
<tr>
<td>Business exit and divestiture costs</td>
<td>9</td>
<td></td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Transformational initiatives</td>
<td>25</td>
<td></td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>23</td>
<td></td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>NASD site costs</td>
<td>8</td>
<td></td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Special compliance costs</td>
<td>4</td>
<td></td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP income from operations</td>
<td>$ 1,104</td>
<td>22.5%</td>
<td>$ 973</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

We provide non-GAAP income from operations 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 asset impairments, 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.
AGILENT TECHNOLOGIES, INC.
RECONCILIATIONS OF REVENUE BY SEGMENT EXCLUDING ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)
(in millions)
(Unaudited)

Year-over-Year

<table>
<thead>
<tr>
<th>GAAP Revenue by Segment</th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Sciences and Applied Markets Group</td>
<td>$2,270</td>
<td>$2,081</td>
<td>9%</td>
</tr>
<tr>
<td>Diagnostics and Genomics Group</td>
<td>943</td>
<td>860</td>
<td>10%</td>
</tr>
<tr>
<td>Agilent CrossLab Group</td>
<td>1,701</td>
<td>1,531</td>
<td>11%</td>
</tr>
<tr>
<td>Agilent</td>
<td>$4,914</td>
<td>$4,472</td>
<td>10%</td>
</tr>
</tbody>
</table>

Non-GAAP Revenue by Segment (excluding Acquisitions & Divestitures)

<table>
<thead>
<tr>
<th>Non GAAP Revenue by Segment</th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>% Change</th>
<th>Year-over-Year at Constant Currency (a)</th>
<th>Percentage Point Impact from Currency</th>
<th>Current Year Currency Impact (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Sciences and Applied Markets Group</td>
<td>$2,261</td>
<td>$2,081</td>
<td>9%</td>
<td>7%</td>
<td>2 ppts</td>
<td>$39</td>
</tr>
<tr>
<td>Diagnostics and Genomics Group</td>
<td>924</td>
<td>860</td>
<td>7%</td>
<td>5%</td>
<td>2 ppts</td>
<td>20</td>
</tr>
<tr>
<td>Agilent CrossLab Group</td>
<td>1,696</td>
<td>1,531</td>
<td>11%</td>
<td>6%</td>
<td>3 ppts</td>
<td>36</td>
</tr>
<tr>
<td>Agilent (Core)</td>
<td>$4,881</td>
<td>$4,472</td>
<td>9%</td>
<td>7%</td>
<td>2 ppts</td>
<td>$95</td>
</tr>
</tbody>
</table>

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.

(a) 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.

(b) The dollar impact from the current year 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.
## Non-GAAP Net Income and Diluted EPS Reconciliations

### (In millions, except per share amounts)

### (Unaudited)

<table>
<thead>
<tr>
<th>Years Ended October 31,</th>
<th>2018 Diluted EPS</th>
<th>2017 Diluted EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP net income</td>
<td>$316  $0.97</td>
<td>$684  $2.10</td>
</tr>
<tr>
<td>Non-GAAP adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset impairments</td>
<td>21</td>
<td>—</td>
</tr>
<tr>
<td>Intangible amortization</td>
<td>105</td>
<td>117</td>
</tr>
<tr>
<td>Business exit and divestiture costs</td>
<td>9</td>
<td>0.03</td>
</tr>
<tr>
<td>Transformational initiatives</td>
<td>25</td>
<td>0.08</td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>23</td>
<td>0.07</td>
</tr>
<tr>
<td>Pension settlement gain</td>
<td>(5)</td>
<td>(32)</td>
</tr>
<tr>
<td>Gain on step acquisition of Lasergen</td>
<td>(20)</td>
<td>—</td>
</tr>
<tr>
<td>NASD site costs</td>
<td>8</td>
<td>—</td>
</tr>
<tr>
<td>Special compliance costs</td>
<td>4</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>(10)</td>
<td>5</td>
</tr>
<tr>
<td>Adjustment for Tax Reform</td>
<td>(552)</td>
<td>(32)</td>
</tr>
<tr>
<td>Adjustment for taxes (i)</td>
<td>(121)</td>
<td>(50)</td>
</tr>
<tr>
<td>Non-GAAP net income</td>
<td>$907  $2.79</td>
<td>$768  $2.36</td>
</tr>
</tbody>
</table>

(i) 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 years ended October 31, 2018 and 2017, management uses a non-GAAP effective tax rate of 18.0%.

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 asset impairments, 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.

### Asset impairments

Include assets that have been written down to their fair value.

### 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, 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 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

Include certain legal costs and settlements in addition to other miscellaneous adjustments.

### Adjustment for Tax Reform

Primarily consists of an estimated provision of $499 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 $426 million, payable over 8 years.

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.