

*“Accelerating Progress in Communications”*

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**The Agile OSS Conference**

1. Title Slide:  
Agile OS: Accelerating Progress in  
Communications  
Ned Barnholt

- Good morning, it's a pleasure to be here. Welcome to the 1<sup>st</sup> Agilent/OSI users conference. Thank you for taking time from your busy schedules to come to our conference.
- We're really excited about the OSI acquisition – the products... the people... the business opportunity ... and the chance to work more closely with you... the OSI customers.
- OSI is a great fit with Agilent's strategy to provide what we believe customers want – an end-to-end management solution for their networks.
- OSI clearly positions us to realize our vision to become the No. 1 supplier of operations support systems for communication service providers.
- That makes you – the NETeXPERT User Community – a very important partner to Agilent.
- Some of you may be wondering – how will Agilent's acquisition of OSI affect the investment you've made in OSI solutions? Today, we hope to communicate clearly Agilent's commitment to your success.
- My message is simple. Agilent's acquisition of OSI is crucial to our overall communications strategy, and we are totally committed to make it a success.
- Together, we provide the stability of a strong market leader...a broad choice of enhanced solutions... the ability to accelerate additional OSS solutions... and global service and support.

- To fully realize these benefits, we need your perspectives. We're here to listen to your issues and inputs, both from a business perspective and a product perspective.
  - We understand the value of this type of forum for sharing information about your use of Agilent-OSI solutions with your colleagues.
  - We want to share our product plans for the future with you. And to get your feedback on what we're planning to do.
  - You're VERY important to us .... We value your input.
  - To highlight our commitment to OSI, I've asked one of our most senior managers – Jack Trautman – to lead the integration of our two companies.
    - Jack, please stand.
    - Jack has been with HP/Agilent for more than 25 years and a general manager for the past 13 years. Most recently, Jack was general manager of HP's Data Protection Business in Bristol, England – a \$1.2B division.
    - Jack has managed large, global businesses and has led them to market leadership. He has experience in semiconductor products, test and measurement products, manufacturing test systems, and computer storage products and systems. I have known Jack personally for many years and he is a first-rate leader.
    - Jack will say a few words at the end of my presentation. I hope you'll take advantage of the opportunity to meet Jack while you're here.

## **Introduction:**

- Today, I'd like to give you a brief overview of our company, then share with you our communications strategies, discuss why we acquired OSI, and finally, what this means for you, our user partners. So let's begin...

## 2. Agilent Profile

- Technology innovator
- Focus on high-growth markets in communications and life sciences
- Market leader in multiple categories
- Strong customer relationships
- Global presence and scale
- Experienced, committed management team
- Strong financial foundation

- Agilent Technologies is a new company formed from HP's businesses in measurement, semiconductor products, chemical analysis and healthcare. These are the original core businesses of HP, so you might say we're a \$10B startup that's been in business for over 60 years.
- We're a technology innovator. We spend more than \$1B on R&D. We focus on high-growth markets, like communications and life sciences. And since the split from HP, we're even more focused on communications.
- Unlike most startups, we're the market leader in most of the businesses we're in. We have strong customer relationships ... global presence ... an experienced management team ... and the financial strength to achieve our goals.

## 3. Agilent Facts – FY 00

Revenue, earnings, headquarters,  
employees, products lines

- For fiscal year 2000, our revenue was \$10.8B ... +29%. Orders were approximately \$12B, up 35%. Net earnings were \$757M, up 46%. Our

headquarters are in Palo Alto; we have 47,000 employees in 120 countries around the world.

- Of course, our growth rates aren't as strong this year due to the downturn in the communications and semiconductor industries. We're confident that we'll get through this and will be well positioned for future growth when the upturn comes.

#### 4. Agilent Revenue FY00 (org chart of 4 business groups)

- We have four major businesses:
  - Test and Measurement (\$6.1B)
  - Semiconductor Products ((\$2.2B)
  - Chemical Analysis (\$1.1B)
  - Healthcare Solutions (\$1.4B)
- If you look at our four major businesses, you'll see that 80% of our revenue is from communications and electronics, and about 20% from healthcare and life sciences.
- We focus on high-growth segments within each of these large markets. We have a broad and deep portfolio of technology driven by R&D in our businesses and by our central research lab.
- We're currently in the process of selling our healthcare business to Philips, and after this is completed, about 90% of our company will be focused on communications and electronics.

#### 5. Agilent in Communications

- The communications industry is our largest strategic market, and this slide shows that we offer solutions all across the entire communications value chain.

- We're on the leading edge of virtually all the exciting communication trends... optical, wireless, broadband, data networking and the whole Internet protocol world.
- We have a very broad product portfolio... all the way from semiconductor products to test and measurement equipment to network management solutions.
- We believe we can leverage off this rich portfolio of technologies to build even better network-management solutions. Agilent is the only company that offers expertise in all phases of the telecommunications-technology value chain.

6. (First arrow slide – NEM, and service providers – R&D, manufacturing, installation, management)

Agilent helps customers accelerate winning technologies... through every step of their business process.

- We help our customers accelerate their next-generation networks because we participate at every step of the communications life cycle.

7. Customer Business Needs:

Manufacturers

Time to market  
Time to volume  
Time to profit

- First, we help network equipment manufacturers get the latest and most advanced new equipment out to the market in a timely and efficient manner.

- We partner with our network-equipment customers to develop standards and to accelerate their new product designs in their R&D labs.
- We help them develop, build and install next-generation optical, wireless and IP networks... as well as the devices that connect to the network.
- We provide semiconductor components and sub-assemblies that network equipment manufacturers use inside their equipment.
  - For example, wireless cell phones.
  - And, Agilent's photonic switching technology will help accelerate the telecom industry's move towards an all-optical network.
- And while time-to-market and time-to-volume remain drivers of the communications business... there's a new key driver that has taken on renewed urgency – Time-to-Profit!

#### 8. Customer Business Needs – Service Providers

- Time-to-service
- Increased revenue growth
- Lower cost of service
- Higher quality of service

- Next, we help service providers accelerate time-to-service, increase revenue growth, lower the cost of service and achieve higher levels of service quality.
- Communication service providers have to install, maintain and manage next-generation networks.... Given the complexity of the network, this is a very difficult task.

- The challenge is differentiation. How does your voice-over IP service compare to everyone else's? How does your data-traffic service compare to everyone else's?
- We believe network management is critical to a service provider's success.

#### 9. Customer Needs for Innovation

- Broadband access – accelerating the availability of high-speed access to next-generation services
  - Optical – accelerating the move to an optical network
  - Wireless – accelerating progress to unconstrained, truly anytime, anywhere communications
  - Network management -- accelerating progress to an optimized network
- Across the entire value chain, our customers tell us they need innovation in four primary areas to accelerate the deployment of next-generation networks: broadband access, optical, wireless and network management.
    - So we're focusing our priorities – including acquisitions, R&D and our new product introductions – on these.
    - This priority on network management is why the OSI acquisition is so critical to us.
  - Agilent already has several successful solutions in the OSS market, aimed at helping service providers run their networks and services more efficiently.
    - However, we lacked the ability to link our various solutions together to provide what our customers needed – an end-to-end solution for their networks.

- OSI's powerful Unified Management Architecture allows us to pull these different solutions together, providing a unified view of the network.

#### 10. Vision

- To become the No. 1 supplier of operations support systems for communication service providers

- With the acquisition of OSI, Agilent is closer to our goal of becoming the leading supplier of network and service management solutions to communication providers globally.
- OSI is a great fit with Agilent's communications strategy – with many powerful synergies and very little overlap in product offerings, technologies, sales channels and customers.
- Both companies are focused on next-generation communications such as 3G, fiber optic, broadband and IP networks.

#### 11. Agilent UMA Portfolio

- Now let's take a few minutes and focus on Agilent's Unified Management Architecture strategy for market leadership.
- Agilent's UMA is a multipurpose OSS that integrates diverse service offerings, consolidates network operations, and improves the control of converging networks.
- UMA helps automate end-to-end functions like ordering, activating and billing of services. It can even set up service quality and service-level-agreement monitoring and management.
- Agilent's integrated OSS uses a common platform for managing multiple technologies and services. It provides multiple OSS applications that can be combined to create solutions to manage any multi-vendor environment.

- Our NETeXPERT Intelligent platform is the optimum OSS management structure because it provides common functions to the applications that integrate with it.
- Agilent's open and highly interoperable systems give you the technological agility and financial edge to get new services to market fast. And keep your customer base growing through superior quality service.
- Randy Custeau will discuss the NETeXPERT Intelligent platform strategy in more detail before lunch today.
- With our UMA architecture, we have a powerful tool to help our customers get new services to market rapidly with integrated, multipurpose systems that operate on many different types of networks.
- When we looked at OSI as a potential acquisition, we listened to what their customers had to say.
- A telecom service provider needed to get new "services to market" fast to stay ahead of the competition. OSI helped them reduce the number of steps involved in provisioning and maintaining high-quality service. The result has been happier customers and more profits.
- Another telecom service provider told us, "OSI is the network management system for today and tomorrow. OSI helps us meet our current management needs and will enable us to expand in the future... easily and cost-effectively."
- An Internet access provider told us, "OSI's product is more robust than any of the alternatives. It alerts us to problems before something in the network fails. But best of all, this system can handle our growing volume of customers and services."
- Of course, all this wouldn't have been possible without the great employees at OSI as well.

- To give you some perspective on the importance of OSI to Agilent, we made 9 important communications-related acquisitions last year and this year.
- The investment in OSI is by far the largest and most strategic -- 3 ½ times larger than the other 8 combined. So Agilent is very committed to OSI and its NETeXPERT User Community.

## 12. OSI/Agilent Value to Customers

- Stability of market leader
- Expertise of leading solutions provider
- Broad choice of enhanced solutions
- Acceleration of additional OSS solutions
- Global support and services

- So, what are the benefits of a combined OSI/Agilent offering to you ... the NETeXPERT User Community?
  - Together, we provide the stability of a strong, market leader with the resources to invest and the determination to become the market leader for communications network and service management solutions.
  - We offer the expertise of a leading provider of SS7 network management solutions, innovative Internet SLA eCommerce management software, optical network management solutions, and extensive test and measurement capabilities.
  - We include Agilent's broad choice of enhanced solutions that integrate seamlessly into the NETeXPERT platform.
  - We have the depth of resources and knowledge to accelerate the development of additional OSS solutions for the NETeXPERT framework.
  - Finally, we provide the support of Agilent's nearly 400-person global support and services organization doing business in approximately 40 major countries around the world.

### 13. OSS Summary

- Next-generation OSS requires a unified approach
- Market needs a leader with a comprehensive approach
  - Intelligent, integrated solutions
  - Monitor, manage, test and measure
  - Powerful worldwide support and services

- So, in summary...
- Agilent plus OSI can provide you with a broad set of OSS solutions for the management of your network, services and customers:
  - One vendor means less vendor-management overhead and more value for money.
  - It also means you can benefit from Agilent's 7 years of experience in the network-management business, delivering and supporting large distributed systems like our acceSS7, Firehunter and accessFiber systems.
  - By using the Unified Management Architecture to integrate Agilent's other OSS offerings, NETeXPERT users will have many more choices in next-generation management solutions that work with their existing NETeXPERT-based systems.
  - The key message that we want to leave with you today is that Agilent will continue to invest in OSI solutions and continue to support you ... our important customers going forward.
- We believe that Agilent has what it takes to accelerate progress in the communications industry. We have a lot of knowledge about telecom from our components and measurement divisions.

- We have expertise in software and service management, as well as in deploying global solutions.
- Our network management solutions are deployed worldwide, and we enhance them with our global services, support and training.
- Our mission is to help our customers design, build, operate, maintain and manage next-generation communication networks and services.
- And now, with OSI, we are clearly positioned to do just that.

14. Create like a startup; deliver like a global company

- Our goal is to create like a startup... to be fast, nimble, agile and customer focused... but to act and deliver like a global company.
- We are getting back to our roots as an entrepreneurial technology-based company with the opportunity to grow in lots of markets, but especially communications.
- We look forward to your feedback at how we are doing. We look forward to a very exciting future together. Thank you very much for attending.

(introduce Jack)

- Now I'd like to invite the new General Manager of the OSI division to come up on stage and say a few words about the OSI/Agilent team. Will you please welcome, Jack Trautman.

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