



July 30, 2009

## PerkinElmer Announces Financial Results for the Third Quarter of 2009

- Revenue of \$437 million, in-line with expectations; End markets stabilizing
- GAAP earnings per share of \$0.14; Adjusted EPS of \$0.30 exceeds guidance
- Expanded capabilities in Diagnostics and Research Reagents

WALTHAM, Mass., Jul 30, 2009 (BUSINESS WIRE) -- [PerkinElmer, Inc.](#) (NYSE: PKI), a global leader focused on improving the health and safety of people and the environment, today reported financial results for the second quarter ended July 5, 2009. The Company reported GAAP earnings per share from continuing operations of \$0.20. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, the Company announced adjusted earnings per share of \$0.28, exceeding the Company's prior guidance of \$0.25-\$0.27.

Revenue from continuing operations in the second quarter of 2009 was \$434.6 million, a decrease of 14% as compared to the same period a year ago. Foreign exchange rates had an unfavorable impact of 6% and acquisitions had a favorable impact of 1%, therefore organic revenue declined by 9% as compared to the second quarter of 2008. Revenue from continuing operations in the Human Health and Environmental Health segments decreased by 9% and 17%, respectively, as compared to the same period a year ago. Organic revenue in the Human Health segment declined by 4% and organic revenue in the Environmental Health segment declined by 13% as compared to the same period a year ago.

GAAP operating profit from continuing operations for the second quarter of 2009 was \$37.9 million, compared to \$44.7 million for the same period a year ago. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, adjusted operating profit was \$52.2 million as compared to \$59.6 million in the second quarter of 2008. As a percentage of revenue, adjusted operating profit increased 20 basis points as compared to the second quarter of 2008.

GAAP earnings per share from continuing operations for the second quarter of 2009 was \$0.20 as compared to \$0.25 for the same period in 2008. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, adjusted earnings per share was \$0.28, which was down 15% as compared to \$0.33 in the second quarter of 2008, including an increase in the effective tax rate due to a shift in the mix of profits by geography.

For the second quarter of 2009, operating cash flow from continuing operations was \$39.4 million. The Company terminated its accounts receivable securitization facility and repaid the outstanding balance of \$30.0 million in the second quarter of 2009, resulting in an unfavorable impact to operating cash flow. On a non-GAAP basis, which excludes the repayment of this borrowing facility, the adjusted operating cash flow was \$69.4 million in the second quarter of 2009.

### Financial Overview by Reporting Segment

**Human Health** reported revenue of \$184.9 million for the second quarter of 2009. The segment's GAAP operating profit was \$24.1 million, compared to \$19.6 million for the same period a year ago. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, the segment's adjusted operating profit was \$35.0 million, as compared to \$31.1 million in the second quarter of 2008. As a percentage of revenue, the segment's adjusted operating profit increased 360 basis points as compared to the second quarter of 2008.

**Environmental Health** reported revenue of \$249.7 million for the second quarter of 2009. The segment's GAAP operating profit was \$22.5 million, compared to \$36.3 million for the same period a year ago. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, the segment's adjusted operating profit was \$25.8 million, as compared to \$39.8 million in the second quarter of 2008. As a percentage of revenue, the segment's adjusted operating profit decreased 290 basis points as compared to the second quarter of 2008.

"Overall, we are pleased with our results in the quarter. In spite of a difficult economic climate, our continued focus on innovation and execution contributed to a solid financial performance, highlighted by year-over-year adjusted operating margin expansion and healthy operating cash flow generation," said Robert Friel, chairman and CEO of PerkinElmer. "As we look toward the second half of 2009, we believe that we will see continued growth in research, diagnostic screening, food and consumer safety testing and laboratory services. However, due to continued constraints on capital spending impacting our medical imaging business and a higher tax rate than forecasted, we believe achieving the high-end of our original guidance is

unlikely, therefore, we are narrowing our full year revenue and earnings guidance."

## **Financial Guidance**

For the full year 2009, the Company forecasts a mid single digit decline in organic revenue relative to 2008. The Company forecasts GAAP earnings per share from continuing operations in the range of \$0.81 to \$0.87 and on a non-GAAP basis, which is expected to include the adjustments noted in the attached reconciliation, adjusted earnings per share from continuing operations in the range of \$1.18 to \$1.24.

## **Conference Call Information**

The Company will discuss its second quarter results and its outlook for business trends in a conference call on July 30, 2009 at 5:00 p.m. Eastern Time (ET). To access the call, please dial (617) 213-8858 prior to the scheduled conference call time and provide the access code 11695866. A replay of this conference call will be available approximately two hours after the call. The replay phone number is (617) 801-6888 and the code number is 25263893.

A live audio webcast of the call will be available on the [Investor](#) section of the Company's Web site, [www.perkinelmer.com](http://www.perkinelmer.com). Please go to the site at least 15 minutes prior to the call in order to register, download, and install any necessary software. An archived version of the webcast will be posted on the Company's Web site for a two week period beginning approximately two hours after the call.

## **Use of Non-GAAP Financial Measures**

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this earnings announcement also contains non-GAAP financial measures. The reasons that we use these measures, a reconciliation of these measures to the most directly comparable GAAP measures, and other information relating to these measures are included below following our GAAP financial statements.

## **Factors Affecting Future Performance**

This press release contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements relating to estimates and projections of future earnings per share, cash flow and revenue growth and other financial results, developments relating to our customers and end-markets, and plans concerning business development opportunities. Words such as "believes," "intends," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions, and references to guidance, are intended to identify forward-looking statements. Such statements are based on management's current assumptions and expectations and no assurances can be given that our assumptions or expectations will prove to be correct. A number of important risk factors could cause actual results to differ materially from the results described, implied or projected in any forward-looking statements. These factors include, without limitation: (1) markets into which we sell our products decline or do not grow as anticipated; (2) fluctuations in the global economic and political environments; (3) our failure to introduce new products in a timely manner; (4) our ability to execute acquisitions and license technologies, or to successfully integrate acquired businesses and licensed technologies into our existing business or to make them profitable; (5) our failure to adequately protect our intellectual property; (6) the loss of any of our licenses or licensed rights; (7) our ability to compete effectively; (8) fluctuation in our quarterly operating results and our ability to adjust our operations to address unexpected changes; (9) significant disruption in third-party package delivery and import/export services or significant increases in prices for those services; (10) disruptions in the supply of raw materials and supplies; (11) the manufacture and sale of products may expose us to product liability claims; (12) our failure to maintain compliance with applicable government regulations; (13) regulatory changes; (14) our failure to comply with health care industry regulations; (15) economic, political and other risks associated with foreign operations; (16) our ability to retain key personnel; (17) significant disruption in our information technology systems; (18) restrictions in our credit agreements; (19) our ability to realize the full value of our intangible assets; (20) significant fluctuations in our stock price; (21) reduction or elimination of dividends on our common stock; and (22) other factors which we describe under the caption "Risk Factors" in our most recent quarterly report on Form 10-Q and in our other filings with the Securities and Exchange Commission. We disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

## **About PerkinElmer**

PerkinElmer, Inc. is a global leader focused on improving the health and safety of people and the environment. The Company reported revenue of approximately \$2 billion in 2008, has around 8,500 employees serving customers in more than 150 countries, and is a component of the S&P 500 Index. Additional information is available through [www.perkinelmer.com](http://www.perkinelmer.com) or 1-877-PKI-NYSE.

## **PerkinElmer, Inc. and Subsidiaries**

## CONSOLIDATED INCOME STATEMENTS

(In thousands, except per share data)	Three Months Ended		Six Months Ended	
	July 5, 2009	June 29, 2008	July 5, 2009	June 29, 2008
<b>Sales</b>	\$ 434,575	\$ 504,965	\$ 866,149	\$ 963,685
Cost of sales	247,102	289,935	490,721	556,541
Research and development expenses	25,568	28,924	51,541	56,771
Selling, general and administrative expenses	123,962	141,750	252,376	272,584
Restructuring and lease (reversals) charges	-	(305)	7,823	(305)
<b>Operating income from continuing operations</b>	37,943	44,661	63,688	78,094
Interest income	(176)	(827)	(653)	(2,185)
Interest expense	4,229	5,746	8,817	12,064
Gains on dispositions of investments, net	-	(269)	-	(1,158)
Other expense, net	128	299	854	1,538
Income from continuing operations before income taxes	33,762	39,712	54,670	67,835
Provision for income taxes	10,807	10,120	16,654	17,504
<b>Net income from continuing operations</b>	22,955	29,592	38,016	50,331
(Loss) income from discontinued operations, net of income taxes	(1,051)	904	(3,964)	672
Loss on disposition of discontinued operations, net of income taxes	(399)	(6,790)	(1,988)	(7,159)
<b>Net income</b>	\$ 21,505	\$ 23,706	\$ 32,064	\$ 43,844
<b><i>Diluted earnings (loss) per share:</i></b>				
Continuing operations	\$ 0.20	\$ 0.25	\$ 0.33	\$ 0.42
(Loss) income from discontinued operations, net of income taxes	(0.01)	0.01	(0.03)	0.01
Loss on disposition of discontinued operations, net of income taxes	(0.00)	(0.06)	(0.02)	(0.06)
Net income	\$ 0.18	\$ 0.20	\$ 0.28	\$ 0.37
<i>Weighted average diluted shares of common stock outstanding</i>	116,268	119,263	116,410	118,861

ABOVE PREPARED IN ACCORDANCE WITH GAAP

### Additional Supplemental Information: (per share, continuing operations)

GAAP diluted EPS from continuing operations	\$ 0.20	\$ 0.25		
Amortization of intangible assets, net of income taxes	0.08	0.08		
Purchase accounting adjustments, net of income taxes	0.00	0.00		
Restructuring and lease (reversals) charges, net of income taxes	-	(0.00)	)	
<b>Adjusted EPS</b>	<b>\$ 0.28</b>	<b>\$ 0.33</b>		

**PerkinElmer, Inc. and Subsidiaries**

## SALES AND OPERATING PROFIT (LOSS)

(In thousands)		Three Months Ended		Six Months Ended			
		July 5, 2009	June 29, 2008	July 5, 2009	June 29, 2008	July 5, 2009	June 29, 2008
<b>Human Health</b>	Sales	\$ 184,850	\$ 203,913	\$ 362,114	\$ 384,002		
	OP\$ reported	24,069	19,629	36,756	31,462		
	OP% reported	13.0	% 9.6	% 10.2	% 8.2	%	%
	Amortization of in						