



PerkinElmer Announces Financial Results for the Third Quarter of 2010

WALTHAM, Mass. -- 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 third quarter ended October 3, 2010. The Company reported GAAP earnings per share from continuing operations of \$0.22, as compared to \$0.11 in the third quarter of 2009. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, the Company announced adjusted earnings per share of \$0.31, exceeding the Company's prior guidance of \$0.27-\$0.29, representing an increase of 15% as compared to the third quarter of 2009.

Revenue from continuing operations in the third quarter of 2010 was \$419.1 million, up 11% as compared to the same period a year ago. Organic revenue, which includes the adjustments noted in the attached reconciliation, increased 10% as compared to the third quarter of 2009. Revenue from continuing operations in the Human and Environmental Health segments increased by 9% and 14%, respectively, as compared to the same period a year ago. Organic revenue, which includes the adjustments noted in the attached reconciliation, increased 5% in the Human Health segment and increased 14% in the Environmental Health segment compared to the third quarter of 2009.

"We are very pleased with our third quarter performance," said Robert Friel, chairman and chief executive officer of PerkinElmer. "Our double-digit organic revenue growth is a testament to the strength we are seeing across many of our end markets and the benefits arising from our continued strategic focus on increasing the growth profile of the Company. We believe this momentum will continue into the fourth quarter and combined with the expected completion of the divestiture of our Illumination and Detection Solutions business will better position us in the execution of our near-term and long-term strategic priorities."

Operating profit from continuing operations for the third quarter of 2010 was \$41.4 million, as compared to \$21.9 million for the same period a year ago. Adjusted operating profit, which includes the adjustments noted in the attached reconciliation, increased by 110 basis points as a percentage of revenue to \$57.5 million, as compared to \$47.5 million in the third quarter of 2009.

For the third quarter of 2010, operating cash flow from continuing operations was \$6.9 million as compared to \$22.2 million in the third quarter of 2009. The Company made a voluntary contribution to its defined benefit pension plan in the United States of \$30 million during the third quarter of 2010, resulting in an unfavorable impact to operating cash flow.

Financial Overview by Reporting Segment

Human Health:

- Revenue from continuing operations of \$194.5 million for the third quarter of 2010, as compared to \$179.1 million for the third quarter of 2009.
- Operating profit of \$25.0 million, as compared to \$19.0 million for the same period a year ago.
- Adjusted operating profit of \$37.6 million, as compared to \$34.4 million in the third quarter of 2009.
- Adjusted operating profit was 19.3% as a percentage of revenue, an increase of approximately 10 basis points as compared to the third quarter of 2009.

Environmental Health

- Revenue from continuing operations of \$224.6 million for the third quarter of 2010, as compared to \$197.9 million for the third quarter of 2009.
- Operating profit of \$26.1 million, as compared to \$11.3 million for the same period a year ago.
- Adjusted operating profit of \$29.6 million, as compared to \$21.6 million in the third quarter of 2009.
- Adjusted operating profit was 13.2% as a percentage of revenue, an increase of approximately 230 basis points as compared to the third quarter of 2009.

Financial Guidance

For the full year 2010, the Company forecasts GAAP earnings per share from continuing operations in the range of \$1.10 to \$1.12 representing an increase from the Company's prior forecast of \$1.06 to \$1.11. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, the Company forecasts adjusted earnings per share in the range of \$1.29

to \$1.31 representing an increase from the Company's prior forecast of \$1.24 to \$1.29.

Conference Call Information

The Company will discuss its third quarter results and its outlook for business trends in a conference call on November 4, 2010 at 5:00 p.m. Eastern Time (ET). To access the call, please dial (617) 786-2902 prior to the scheduled conference call time and provide the access code 16872978. A playback of this conference call will be available beginning 8:00 p.m. ET, Thursday, November 4, 2010. The playback phone number is (617) 801-6888 and the code number is 80631952.

A live audio webcast of the call will be available on the Investor section of the Company's Web site, 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 and divestitures. 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 healthcare 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; (22) our ability to consummate the sale of the Illumination and Detection Solutions business, including obtaining regulatory and other required approvals without costly delays or at all, and to achieve the expected benefits of the transaction; and (23) 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 \$1.8 billion in 2009, has about 8,800 employees serving customers in more than 150 countries, and is a component of the S&P 500 Index. Additional information is available through 1-877-PKI-NYSE, or at www.perkinelmer.com.

For a full report with financials, [download the full report PDF file](#).

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