PERKINELMER INC
Form 10-Q
August 07, 2012
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

_____

FORM 10-Q

_____

(Mark One)

ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 1, 2012

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-5075

_____

PerkinElmer, Inc.
(Exact name of Registrant as specified in its Charter)

_____

Massachusetts	04-2052042
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

940 Winter Street
Waltham, Massachusetts 02451
(Address of principal executive offices) (Zip code)
(781) 663-6900
(Registrant's telephone number, including area code)

_____

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No ý

As of August 2, 2012, there were outstanding 114,071,095 shares of common stock, $1 par value per share.

Table of Contents

TABLE OF CONTENTS

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PERKINELMER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011 (As adjusted)	July 1, 2012	July 3, 2011 (As adjusted)
	(In thousands, except per share data)			
Product revenue	$364,243	$326,419	$721,436	$632,545
Service revenue	157,547	152,646	311,244	293,698
Total revenue	521,790	479,065	1,032,680	926,243
Cost of product revenue	186,442	176,080	372,899	333,331
Cost of service revenue	96,554	93,791	188,973	183,407
Total cost of revenue	282,996	269,871	561,872	516,738
Selling, general and administrative expenses	149,735	138,403	306,584	271,098
Research and development expenses	34,069	28,032	66,693	54,217
Restructuring and contract termination charges, net	5,203	3,340	11,362	3,340
Operating income from continuing operations	49,787	39,419	86,169	80,850
Interest and other expense, net	11,358	4,271	24,188	10,027
Income from continuing operations before income taxes	38,429	35,148	61,981	70,823
Provision for income taxes	4,861	6,047	6,337	14,431
Net income from continuing operations	33,568	29,101	55,644	56,392
Gain (loss) on disposition of discontinued operations before income taxes	482	(157)	1,017	(1,741)
Provision for (benefit from) income taxes on disposition of discontinued operations	417	(817)	459	(23)
Net income (loss) from discontinued operations and dispositions	65	660	558	(1,718)
Net income	$33,633	$29,761	$56,202	$54,674
Basic earnings (loss) per share:				
Net income from continuing operations	$0.30	$0.26	$0.49	$0.50
Net income (loss) from discontinued operations and dispositions	—	0.01	—	(0.02)
Net income	$0.30	$0.26	$0.50	$0.48
Diluted earnings (loss) per share:				
Net income from continuing operations	$0.29	$0.26	$0.49	$0.49
Net income (loss) from discontinued operations and dispositions	—	0.01	—	(0.02)
Net income	$0.29	$0.26	$0.49	$0.48
Weighted average shares of common stock outstanding:				
Basic	113,515	112,494	113,306	113,246
Diluted	114,578	113,623	114,348	114,381

Cash dividends per common share	$0.07	$0.07	$0.14	$0.14

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

PERKINELMER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011 (As adjusted)	July 1, 2012	July 3, 2011 (As adjusted)
	(In thousands)			
Net income	$33,633	$29,761	$56,202	$54,674
Other comprehensive (loss) income				
Foreign currency translation adjustments, net of tax	(30,344)	16,320	(16,578)	63,611
Reclassification adjustments for losses on derivatives included in net income, net of tax	299	299	598	598
Unrealized (losses) gains on securities, net of tax	(13)	(32)	22	18
Other comprehensive (loss) income	(30,058)	16,587	(15,958)	64,227
Comprehensive income	$3,575	$46,348	$40,244	$118,901

The accompanying notes are an integral part of these condensed consolidated financial statements.

PERKINELMER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	July 1, 2012	January 1, 2012
	(In thousands, except share data)	
Current assets:		
Cash and cash equivalents	$171,403	$142,342
Accounts receivable, net	389,466	409,888
Inventories, net	244,436	240,763
Other current assets	92,293	69,023
Current assets of discontinued operations	202	202
Total current assets	897,800	862,218
Property, plant and equipment, net:		
At cost	456,830	451,953
Accumulated depreciation	(289,653)	(277,386)
Property, plant and equipment, net	167,177	174,567
Marketable securities and investments	1,102	1,105

Intangible assets, net	613,009	661,607
Goodwill	2,080,031	2,093,626
Other assets, net	41,818	41,075
Total assets	$3,800,937	$3,834,198
Current liabilities:		
Accounts payable	$174,028	$173,153
Accrued restructuring costs	15,189	13,958
Accrued expenses	397,353	411,526
Current liabilities of discontinued operations	1,115	1,429
Total current liabilities	587,685	600,066
Long-term debt	911,043	944,908
Long-term liabilities	416,879	447,008
Total liabilities	1,915,607	1,991,982
Commitments and contingencies (see Note 18)		
Stockholders' equity:		
Preferred stock—$1 par value per share, authorized 1,000,000 shares; none issued or outstanding	—	—
Common stock—$1 par value per share, authorized 300,000,000 shares; issued and outstanding 114,060,000 shares and 113,157,000 shares at July 1, 2012 and at January 1, 2012, respectively	114,060	113,157
Capital in excess of par value	182,321	164,290
Retained earnings	1,550,821	1,510,683
Accumulated other comprehensive income	38,128	54,086
Total stockholders' equity	1,885,330	1,842,216
Total liabilities and stockholders' equity	$3,800,937	$3,834,198

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

PERKINELMER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended	
	July 1, 2012	July 3, 2011 (As adjusted)
	(In thousands)	
Operating activities:		
Net income	$56,202	$54,674
Add: net (income) loss from discontinued operations and dispositions, net of income taxes	(558)	1,718
Net income from continuing operations	55,644	56,392
Adjustments to reconcile net income from continuing operations to net cash provided by continuing operations:		
Restructuring and contract termination charges, net	11,362	3,340
Depreciation and amortization	64,163	50,601
Stock-based compensation	10,252	7,960
Amortization of deferred debt issuance costs	1,745	1,270
Amortization of acquired inventory revaluation	4,774	378
Changes in operating assets and liabilities which provided (used) cash, excluding effects from companies purchased and divested:		
Accounts receivable, net	13,473	3,904
Inventories, net	(12,652)	(3,566)
Accounts payable	1,645	(19,838)
Excess tax benefit from exercise of equity grants	(1,139)	(8,591)
Accrued expenses and other	(56,594)	10,332
Net cash provided by operating activities of continuing operations	92,673	102,182
Net cash used in operating activities of discontinued operations	(744)	(7,631)
Net cash provided by operating activities	91,929	94,551
Investing activities:		
Capital expenditures	(11,449)	(15,970)
Changes in restricted cash balances	200	420
Payments for acquisitions and investments, net of cash and cash equivalents acquired	—	(310,351)
Net cash used in investing activities of continuing operations	(11,249)	(325,901)
Net cash provided by investing activities of discontinued operations	988	28,252
Net cash used in investing activities	(10,261)	(297,649)
Financing activities:		
Payments on debt	(244,000)	(247,000)
Proceeds from borrowings	210,000	494,000
Payments of debt issuance costs	(416)	—
Payments on other credit facilities	—	(2,303)
Payments for acquisition-related contingent consideration	(9,343)	(137)
Excess tax benefit from exercise of equity grants	1,139	8,591
Proceeds from stock options exercised	11,746	23,552
Purchases of common stock	(2,063)	(109,997)
Dividends paid	(15,891)	(15,997)
Net cash (used in) provided by financing activities of continuing operations	(48,828)	150,709

Net cash used in financing activities of discontinued operations	—	(1,908)
Net cash (used in) provided by financing activities	(48,828)	148,801
Effect of exchange rate changes on cash and cash equivalents	(3,779)	29,419
Net increase (decrease) in cash and cash equivalents	29,061	(24,878)
Cash and cash equivalents at beginning of period	142,342	420,086
Cash and cash equivalents at end of period	$171,403	$395,208

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

PERKINELMER, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Basis of Presentation

The condensed consolidated financial statements included herein have been prepared by PerkinElmer, Inc. (the "Company"), without audit, in accordance with accounting principles generally accepted in the United States of America (the "U.S." or the "United States") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information in the footnote disclosures of the financial statements has been condensed or omitted where it substantially duplicates information provided in the Company's latest audited consolidated financial statements, in accordance with the rules and regulations of the SEC. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes included in its Annual Report on Form 10-K for the fiscal year ended January 1, 2012, filed with the SEC (the "2011 Form 10-K"). The balance sheet amounts at January 1, 2012 in this report were derived from the Company's audited 2011 consolidated financial statements included in the 2011 Form 10-K. The condensed consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position, results of operations and cash flows for the periods indicated. The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts and classifications of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The results of operations for the three and six months ended July 1, 2012 and July 3, 2011, respectively, are not necessarily indicative of the results for the entire fiscal year or any future period.

The Company has evaluated subsequent events from July 1, 2012 through the date of the issuance of these condensed consolidated financial statements and has determined that no material subsequent events have occurred that would affect the information presented in these condensed consolidated financial statements or would require additional disclosure.

Change in Accounting for Pension and Other Postretirement Benefits: During the fourth quarter of fiscal year 2011 the Company changed its method of recognizing defined benefit pension and other postretirement benefit costs. Accordingly, the financial data for all periods presented has been retrospectively adjusted to reflect the effect of these accounting changes. Actuarial gains and losses are measured annually as of fiscal year end and accordingly will be recorded in the fourth quarter, unless the Company is required to perform an interim remeasurement. This change in accounting method for pension and other postretirement benefits is described in more detail in Note 1 to the Company's audited consolidated financial statements filed with the 2011 Form 10-K. For the three and six months ended July 3, 2011 the retrospective changes in recognizing defined benefit pension and other postretirement benefit costs increased operating income from continuing operations by $1.9 million and $4.0 million, net income by $1.2 million and $2.6 million, basic earnings per share by $0.01 and $0.02, diluted earnings per share by $0.01 and $0.02, and other comprehensive (loss) income by $1.3 million and $2.9 million, respectively. There were no changes to the previously reported cash flows from operating, investing or financing activities for the three and six months ended July 3, 2011.

Immaterial Restatement: As disclosed in the Company's 2011 Form 10-K, prior to the fiscal year 2011 annual financial statements, the Company had reported revenue and cost of revenue as single line items and had not broken out product and service revenue and related cost of revenue separately. Accordingly, the Company has restated previously reported revenue and cost of revenue for the three and six months ended July 3, 2011 to separately report product revenue, service revenue, and the related cost of product revenue and cost of service revenue.

Recently Adopted Accounting Pronouncements: During the first quarter of fiscal year 2012 the Company adopted new guidance applicable to certain of its health care businesses that recognize patient service revenue at the time the services are rendered where the Company does not assess the patient's ability to pay at the time of the sale. The new guidance requires the Company to present the provision for bad debts related to such revenue as a deduction from revenue (net of contractual allowances and discounts) on the statements of operations. The effects of the adoption on

the Company's condensed consolidated statements of operations resulted in a decrease to revenue and a decrease to selling, general and administrative expenses of $0.7 million and $1.4 million for the three and six months ended July 1, 2012, respectively, and a decrease to revenue and a decrease to selling, general and administrative expenses of $0.4 million and $1.1 million for the three and six months ended July 3, 2011, respectively. Accordingly, the financial data for all periods presented has been retrospectively adjusted to reflect the effect of these accounting changes.
Recently Issued Accounting Pronouncements: From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board and are adopted by the Company as of the specified effective dates. Unless otherwise discussed, the Company believes that such recently issued pronouncements will not have a significant impact on the Company’s condensed consolidated financial position, results of operations and cash flows or do not apply to the Company’s operations.

Note 2: Business Combinations
Acquisition of Caliper Life Sciences, Inc. In November 2011, the Company acquired all of the outstanding stock of Caliper Life Sciences, Inc. (“Caliper”). Caliper is a provider of imaging and detection solutions for life sciences research, diagnostics and environmental markets. Caliper develops and sells integrated systems, consisting of instruments, software, reagents, laboratory automation tools, and assay development and discovery services, primarily to pharmaceutical, biotechnology, and diagnostics companies, and government and other not-for-profit research institutions. The Company expects this acquisition to enhance its molecular imaging and detection technologies and to complement its offerings in life science, diagnostics, environmental and food markets. The Company paid the shareholders of Caliper $646.3 million in cash for the stock of Caliper. The Company financed the acquisition by issuing $500.0 million aggregate principal amount of senior unsecured notes due 2021 in a registered public offering and received approximately $496.9 million of net proceeds from the issuance, with the remainder of the purchase price paid from available cash. The excess of the purchase price over the fair value of the acquired net assets represents cost and revenue synergies specific to the Company, as well as non-capitalizable intangible assets, such as the employee workforce acquired, and has been allocated to goodwill, none of which is tax deductible. The Company has reported the operations for this acquisition within the results of the Company’s Human Health segment from the acquisition date. The total purchase price has been preliminarily allocated to the estimated fair values of assets acquired and liabilities assumed as follows:

	Caliper (Preliminary) (In thousands)
Fair value of business combination:	
Cash payments	$646,317
Less: cash acquired	(43,576)
Total	$602,741
Identifiable assets acquired and liabilities assumed:	
Current assets	$55,756
Property, plant and equipment	14,580
Identifiable intangible assets:	
Core technology	52,000
Trade names	14,200
Licenses	18,000
Customer relationships	93,000
Goodwill	352,494
Deferred taxes	54,068
Deferred revenue	(7,825)
Liabilities assumed	(43,532)
Total	$602,741

The weighted average amortization periods of identifiable definite-lived intangible assets were 5.0 years for core technology, 6.0 years for licenses, 7.0 years for customer relationships, and 7.0 years for trade names.

The following unaudited pro forma information presents the combined financial results for the Company and Caliper as if the acquisition of Caliper had been completed as of January 2, 2011:

	Three Months Ended July 3, 2011	Six Months Ended July 3, 2011
	(In thousands)	
Pro Forma Statement of Operations Information (Unaudited):		
Revenue	$517,102	$999,761
Net income from continuing operations	17,686	33,543
Basic earnings per share:		
Continuing operations	$0.16	$0.30
Diluted earnings per share:		
Continuing operations	$0.16	$0.29

The unaudited pro forma information for the three and six months ended July 3, 2011 has been calculated after applying the Company's accounting policies and the impact of acquisition date fair value adjustments. The pro forma net income from continuing operations was adjusted to exclude nonrecurring expenses related to the fair value adjustments associated with the Caliper acquisition. These pro forma condensed consolidated financial results have been prepared for comparative purposes only and include certain adjustments, such as fair value adjustment to inventory and deferred revenue, increased interest expense on debt obtained to finance the transaction, and increased amortization for the fair value of acquired intangible assets. The pro forma information does not reflect the effect of costs or synergies that would have been expected to result from the integration of the acquisition. The pro forma information does not purport to be indicative of the results of operations that actually would have resulted had the combination occurred at the beginning of each period presented, or of future results of the consolidated entities.
Allocations of the purchase price for acquisitions are based on estimates of the fair value of the net assets acquired and are subject to adjustment upon finalization of the purchase price allocations. The accounting for business combinations requires estimates and judgments as to expectations for future cash flows of the acquired business, and the allocation of those cash flows to identifiable intangible assets, in determining the estimated fair values for assets acquired and liabilities assumed. The fair values assigned to tangible and intangible assets acquired and liabilities assumed, including contingent consideration, are based on management’s estimates and assumptions, as well as other information compiled by management, including valuations that utilize customary valuation procedures and techniques. Contingent consideration is measured at fair value at the acquisition date, based on revenue thresholds or product development milestones achieved through given dates, with changes in the fair value after the acquisition date affecting earnings to the extent the contingent consideration is to be settled in cash. If the actual results differ from the estimates and judgments used in these fair values, the amounts recorded in the condensed consolidated financial statements could result in a possible impairment of the intangible assets and goodwill, or require acceleration of the amortization expense of definite-lived intangible assets.
In connection with the purchase price and related allocations for acquisitions, the Company estimates the fair value of deferred revenue assumed with its acquisitions. The estimated fair value of deferred revenue is determined by the legal performance obligation at the date of acquisition, and is generally based on the nature of the activities to be performed and the related costs to be incurred after the acquisition date. The fair value of an assumed liability related to deferred revenue is estimated based on the current market cost of fulfilling the obligation, plus a normal profit margin thereon. The estimated costs to fulfill the deferred revenue are based on the historical direct costs related to providing the services. The Company does not include any costs associated with selling effort, research and development, or the related fulfillment margins on these costs. In most acquisitions, profit associated with selling effort is excluded because the acquired businesses would have concluded the selling effort on the support contracts prior to the

acquisition date. The estimated research and development costs are not included in the fair value determination, as these costs are not deemed to represent a legal obligation at the time of acquisition. The sum of the costs and operating income approximates, in theory, the amount that the Company would be required to pay a third-party to assume the obligation.

As of July 1, 2012, the purchase price and related allocation for the Caliper acquisition were preliminary. The preliminary allocation of the purchase price for the Caliper acquisition was based upon a preliminary valuation and the Company's estimates and assumptions underlying the preliminary valuation are subject to change within the measurement period (up to one year from the acquisition date). The primary areas of the preliminary purchase price allocation that are not yet finalized relate to the fair value of certain tangible and intangible assets acquired and liabilities assumed, assets and liabilities related to income taxes and related valuation allowances, and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair values of the net assets acquired at the acquisition date during the measurement period. During the measurement period, the Company will adjust assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date. Adjustments to the initial allocation of the purchase price during the measurement period require the revision of comparative prior period financial information when reissued in subsequent financial statements. The effect of measurement period adjustments to the allocation of the purchase price would be as if the adjustments had been completed on the acquisition date. The effects of measurement period adjustments may cause changes in depreciation, amortization, or other income or expense recognized in prior periods. All changes that do not qualify as measurement period adjustments are included in current period earnings. There were no changes made to the preliminary allocation during the three and six months ended July 1, 2012.

Total transaction costs related to acquisition activities for the three and six months ended July 1, 2012 were $0.1 million and $0.3 million, respectively. Total transaction costs related to acquisition activities for the three and six months ended July 3, 2011 were $1.1 million and $4.0 million, respectively. These transaction costs were expensed as incurred and recorded in selling, general and administrative expenses in the Company's condensed consolidated statements of operations.

Note 3: Discontinued Operations

As part of the Company’s continuing efforts to focus on higher growth opportunities, the Company has discontinued certain businesses. The Company has accounted for these businesses as discontinued operations and, accordingly, has presented the results of operations and related cash flows as discontinued operations for all periods presented. The assets and liabilities of these businesses have been presented separately, and are reflected within the assets and liabilities from discontinued operations in the accompanying condensed consolidated balance sheets as of July 1, 2012 and January 1, 2012.

The Company recorded the following gains and losses, which have been reported as gain (loss) on disposition of discontinued operations:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
(Loss) gain on disposition of Illumination and Detection Solutions business	$—	$(111)	$16	$(1,696)
Gain (loss) on disposition of Photoflash business	485	(13)	992	(9)
(Loss) gain on disposition of other discontinued operations	(3)	(33)	9	(36)
Gain (loss) on disposition of discontinued operations before income taxes	$482	$(157)	$1,017	$(1,741)

In November 2010, the Company sold its Illumination and Detection Solutions business, which was included in the Company’s Environmental Health segment, for $510.3 million, including an adjustment for net working capital. During the first six months of fiscal year 2011, the Company updated the net working capital adjustment associated with the sale of this business and other potential contingencies, which resulted in the recognition of a pre-tax loss of

$1.7 million. This loss was recognized as loss on disposition of discontinued operations.

In December 2008, the Company's management approved a plan to divest its Photoflash business within the Environmental Health segment. In June 2010, the Company sold the Photoflash business for $13.5 million, including an adjustment for net working capital, plus potential additional contingent consideration. During the first six months of fiscal year 2012, the Company recognized a pre-tax gain of $1.0 million for contingent consideration related to this sale. This gain was recognized as gain on disposition of discontinued operations.

The Company recorded tax provisions of $0.4 million and $0.5 million on disposition of discontinued operations for the three and six months ended July 1, 2012, respectively. The Company recorded tax benefits of $0.8 million and $0.02 million on disposition of discontinued operations for the three and six months ended July 3, 2011, respectively.

Note 4: Restructuring and Contract Termination Charges, Net

The Company has undertaken a series of restructuring actions related to the impact of acquisitions and divestitures, alignment with the Company's growth strategy and the integration of its business units. The current portion of restructuring and contract termination charges, net, is recorded in accrued restructuring costs, and the long-term portion of restructuring and contract termination charges, net, is recorded in long-term liabilities. The activities associated with these plans have been reported as restructuring expenses and are included as a component of operating expenses from continuing operations.

A description of the restructuring plans and the activity recorded for the six months ended July 1, 2012 is listed below. Details of the plans initiated in previous years, particularly those listed under "Previous Restructuring and Integration Plans," are discussed more fully in Note 4 to the audited consolidated financial statements in the 2011 Form 10-K.

The restructuring plans for the first and second quarters of fiscal year 2012 were intended principally to realign operations, research and development resources, and production resources as a result of recent acquisitions. The restructuring plans for the second and fourth quarters of fiscal year 2011 were intended principally to shift resources to higher growth geographic regions and end markets.

Q2 2012 Restructuring Plan

During the second quarter of fiscal year 2012, the Company's management approved a plan to realign operations, research and development resources, and production resources as a result of recent acquisitions (the "Q2 2012 Plan"). As a result of the Q2 2012 Plan, and during the three months ended July 1, 2012, the Company recognized a $4.0 million pre-tax restructuring charge in the Human Health segment related to a workforce reduction from reorganization activities and recognized a $0.2 million pre-tax restructuring charge in the Environmental Health segment related to a workforce reduction from reorganization activities. The Company expects to recognize an additional $5.4 million of incremental restructuring expense in future periods as services are provided for one-time termination benefits in which the employee is required to render service until termination in order to receive the benefits, and will be recognized ratably over the future service period. As part of the Q2 2012 Plan, the Company will reduce headcount by 229 employees. All employees were notified of termination under the Q2 2012 Plan by July 1, 2012.

The following table summarizes the Q2 2012 Plan activity for the six months ended July 1, 2012:

	Severance
	(In thousands)
Provision	$4,218
Amounts paid and foreign currency translation	(714)
Balance at July 1, 2012	$3,504

The Company anticipates that the remaining severance payments of $3.5 million for workforce reductions will be completed by the end of the fourth quarter of fiscal year 2013.

Q1 2012 Restructuring Plan

During the first quarter of fiscal year 2012, the Company's management approved a plan to realign operations and production resources as a result of recent acquisitions (the "Q1 2012 Plan"). As a result of the Q1 2012 Plan, and during the six months ended July 1, 2012, the Company recognized a $5.4 million pre-tax restructuring charge in the Human Health segment related to a workforce reduction from reorganization activities and recognized a $0.8 million pre-tax

restructuring charge in the Environmental Health segment related to a workforce reduction from reorganization activities and the closure of excess facility space. The Company expects to recognize an additional $0.5 million of incremental restructuring expense in future periods as services are provided for one-time termination benefits in which the employee is required to render service until termination in order to receive the benefits, and will be recognized ratably over the future service period. As part of the Q1 2012 Plan, the Company will reduce headcount by 129 employees. All employees were notified of termination and the Company completed all actions related to the closure of excess facility space under the Q1 2012 Plan by April 1, 2012.

The following table summarizes the Q1 2012 Plan activity for the six months ended July 1, 2012:

	Severance	Closure of Excess Facility Space	Total
	(In thousands)		
Provision	$6,125	$79	$6,204
Amounts paid and foreign currency translation	(3,236)	(79)	(3,315)
Balance at July 1, 2012	$2,889	$—	$2,889

The Company anticipates that the remaining severance payments of $2.9 million for workforce reductions will be completed by the end of the fourth quarter of fiscal year 2012.

Q4 2011 Restructuring Plan

During the fourth quarter of fiscal year 2011, the Company's management approved a plan to shift resources to higher growth geographic regions and end markets (the "Q4 2011 Plan"). As a result of the Q4 2011 Plan, the Company recognized a $2.3 million pre-tax restructuring charge in the Human Health segment related to a workforce reduction from reorganization activities. The Company also recognized a $4.6 million pre-tax restructuring charge in the Environmental Health segment related to a workforce reduction from reorganization activities and the closure of excess facility space. During the first six months of fiscal year 2012, the Company recorded a pre-tax restructuring reversal of $0.1 million relating to the Q4 2011 Plan due to a reduction in the estimated costs associated with the closure of an excess facility in the Environmental Health segment. As part of the Q4 2011 Plan, the Company reduced headcount by 114 employees. All employees were notified of termination and the Company completed all actions related to the closure of excess facility space under the Q4 2011 Plan by January 1, 2012.

The following table summarizes the Q4 2011 Plan activity for the six months ended July 1, 2012:

	Severance	Closure of Excess Facility Space	Total
	(In thousands)		
Balance at January 1, 2012	$4,674	$370	$5,044
Change in estimates	—	(135)	(135)
Amounts paid and foreign currency translation	(3,233)	(60)	(3,293)
Balance at July 1, 2012	$1,441	$175	$1,616

The Company anticipates that the remaining severance payments of $1.4 million for workforce reductions will be completed by the end of the second quarter of fiscal year 2013. The Company also anticipates that the remaining payments of $0.2 million for the closure of excess facility space will be paid through the third quarter of fiscal year 2012, in accordance with the terms of the applicable lease.

Q2 2011 Restructuring Plan

During the second quarter of fiscal year 2011, the Company's management approved a plan to shift resources to higher growth geographic regions and end markets (the "Q2 2011 Plan"). As a result of the Q2 2011 Plan, the Company recognized a $2.2 million pre-tax restructuring charge in the Human Health segment related to a workforce reduction from reorganization activities and the closure of excess facility space. The Company also recognized a $3.4 million pre-tax restructuring charge in the Environmental Health segment related to a workforce reduction from reorganization activities and the closure of excess facility space. As part of the Q2 2011 Plan, the Company reduced headcount by 72 employees. All employees were notified of termination and the Company completed all actions

related to the closure of excess facility space under the Q2 2011 Plan by July 3, 2011.

The following table summarizes the Q2 2011 Plan activity for the six months ended July 1, 2012:

	Severance	Closure of Excess Facility Space	Total
	(In thousands)		
Balance at January 1, 2012	$1,283	$—	$1,283
Amounts paid and foreign currency translation	(454)	—	(454)
Balance at July 1, 2012	$829	$—	$829

The Company anticipates that the remaining severance payments of $0.8 million for workforce reductions will be completed by the end of the fourth quarter of fiscal year 2012.

Previous Restructuring and Integration Plans

The principal actions of the restructuring and integration plans from fiscal years 2001 through 2010 were workforce reductions related to the integration of the Company's businesses in order to reduce costs and achieve operational efficiencies as well as workforce reductions in both the Human Health and Environmental Health segments by shifting resources into geographic regions and product lines that are more consistent with the Company's growth strategy. During the six months ended July 1, 2012, the Company paid $2.5 million related to these plans and recorded an additional charge of $0.3 million to reduce the estimated sublease rental payments reasonably expected to be obtained for an excess facility in Europe within the Environmental Health segment, as well as a charge of $0.4 million related to higher than expected costs associated with workforce reductions in Europe within the Human Health segment. As of July 1, 2012, the Company had $12.7 million of remaining liabilities associated with these restructuring and integration plans, primarily for residual lease obligations related to closed facilities and remaining severance payments for workforce reductions in both the Human Health and Environmental Health segments. The Company expects to make payments for these leases, the terms of which vary in length, through fiscal year 2022.

Contract Termination Charges

The Company has terminated various contractual commitments in connection with certain disposal activities and has recorded charges, to the extent applicable, for the costs of terminating these contracts before the end of their terms and costs that will continue to be incurred for the remaining terms without economic benefit to the Company. The Company recorded a pre-tax charge of $0.4 million and made payments for these obligations of $0.8 million in the first six months of fiscal year 2012. The remaining balance of these accruals as of July 1, 2012 was $1.7 million.

Note 5: Interest and Other Expense, Net

Interest and other expense, net, consisted of the following:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Interest income	$(150)	$(483)	$(360)	$(805)
Interest expense	11,339	4,213	22,776	8,129
Other expense, net	169	541	1,772	2,703
Total interest and other expense, net	$11,358	$4,271	$24,188	$10,027

Note 6: Inventories, Net

Inventories as of July 1, 2012 and January 1, 2012 consisted of the following:

	July 1, 2012	January 1, 2012
	(In thousands)	
Raw materials	$76,954	$72,913
Work in progress	12,522	14,656
Finished goods	154,960	153,194
Total inventories, net	$244,436	$240,763

Note 7: Income Taxes

The Company regularly reviews its tax positions in each significant taxing jurisdiction in the process of evaluating its unrecognized tax benefits. The Company makes adjustments to its unrecognized tax benefits when: (i) facts and circumstances regarding a tax position change, causing a change in management's judgment regarding that tax position; (ii) a tax position is effectively settled with a tax authority; and/or (iii) the statute of limitations expires regarding a tax position.

At July 1, 2012, the Company had gross tax effected unrecognized tax benefits of $47.8 million, of which $40.9 million, if recognized, would affect the continuing operations effective tax rate. The remaining amount, if recognized, would affect discontinued operations.

At July 1, 2012, the Company had uncertain tax positions of $8.8 million, including accrued interest, net of tax benefits and penalties, which are expected to be resolved within the next year. A portion of the uncertain tax positions could affect the continuing operations effective tax rate depending on the ultimate resolution; however, the Company cannot quantify an estimated range at this time. The Company is subject to U.S. federal income tax as well as to income tax of numerous state and foreign jurisdictions.

Tax years ranging from 2003 through 2011 remain open to examination by various tax jurisdictions in which the Company has significant business operations, such as China, Finland, Germany, Italy, Netherlands, Singapore, the United Kingdom, and the United States. The tax years under examination vary by jurisdiction.

As a result of the Caliper acquisition, the Company concluded that certain foreign operations did not require the same level of capital as previously expected, and therefore the Company plans to repatriate approximately $350.0 million of previously unremitted earnings and has provided for the estimated taxes on the repatriation of those earnings. As a result of the planned repatriation, the Company recorded an increase to the Company's tax provision of $79.7 million in continuing operations in fiscal year 2011. The Company expects to utilize tax attributes, primarily those acquired in the Caliper acquisition, to minimize the cash taxes paid on the repatriation. As of July 1, 2012, the Company had completed the repatriation of $229.2 million of the $350.0 million of these previously unremitted earnings. The Company continues to maintain its permanent reinvestment assertion with regard to the remaining unremitted earnings of its foreign subsidiaries, and therefore does not accrue U.S. tax for the repatriation of its remaining unremitted foreign earnings.

Note 8: Debt

Senior Unsecured Revolving Credit Facility. On December 16, 2011, the Company entered into an amended and restated senior unsecured revolving credit facility. The agreement for the facility provides for $700.0 million of revolving loans and has an initial maturity of December 16, 2016. As of July 1, 2012, undrawn letters of credit in the aggregate amount of $12.0 million were treated as issued and outstanding under the senior unsecured revolving credit facility. The Company uses the senior unsecured revolving credit facility for general corporate purposes, which may

include working capital, refinancing existing indebtedness, capital expenditures, share repurchases, acquisitions and strategic alliances. The interest rates under the senior unsecured revolving credit facility are based on the Eurocurrency rate at the time of borrowing plus a margin, or the base rate from time to time. The base rate is the higher of (i) the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its "prime rate," (ii) the Federal Funds rate plus 50 basis points or (iii) one-month Libor plus 1.00%. The Eurocurrency margin as of July 1, 2012 was 130 basis points. The weighted average Eurocurrency interest rate as of July 1, 2012 was 0.24%, resulting in a weighted average effective Eurocurrency rate, including the margin, of 1.54%. The Company had $264.0 million of borrowings in U.S. Dollars outstanding under the senior unsecured revolving credit facility as of July 1, 2012, with interest based on the above described Eurocurrency rate. The credit agreement for the facility contains affirmative, negative and financial covenants and events of default customary for financings of this type and those contained in the Company's previous senior revolving credit agreement. The financial covenants in the Company's amended and restated senior unsecured revolving credit facility includes a debt-to-capital ratio, and two contingent covenants, a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio, applicable only if the Company's credit rating is downgraded below investment grade.

6% Senior Unsecured Notes due 2015. On May 30, 2008, the Company issued $150.0 million aggregate principal amount of senior unsecured notes due 2015 (the “2015 Notes”) in a private placement and received $150.0 million of proceeds from the issuance. The 2015 Notes mature in May 2015 and bear interest at an annual rate of 6%. Interest on the 2015 Notes is payable semi-annually on May 30th and November 30th each year. The Company may redeem some or all of the 2015 Notes at any time, at its option, at a make-whole redemption price plus accrued and unpaid interest. The indenture governing the 2015 Notes includes financial covenants of debt-to-capital ratios and a contingent multiple of total debt to earnings ratio, applicable only if the Company's credit rating is downgraded below investment grade.

5% Senior Unsecured Notes due 2021. On October 25, 2011, the Company issued $500.0 million aggregate principal amount of senior unsecured notes due 2021 (the “2021 Notes”) in a registered public offering and received approximately $496.9 million of net proceeds from the issuance. The 2021 Notes were issued at 99.372% of the principal amount, which resulted in a discount of $3.1 million. The 2021 Notes mature in November 2021 and bear interest at an annual rate of 5%. Interest on the 2021 Notes is payable semi-annually on May 15th and November 15th each year. Prior to August 15, 2021 (three months prior to their maturity date), the Company may redeem the 2021 Notes in whole or in part, at its option, at a redemption price equal to the greater of (i) 100% of the principal amount of the 2021 Notes to be redeemed, plus accrued and unpaid interest, or (ii) the sum of the present values of the remaining scheduled payments of principal and interest in respect to the 2021 Notes being redeemed, discounted on a semi-annual basis, at the Treasury Rate plus 45 basis points, plus accrued and unpaid interest. At any time on or after August 15, 2021 (three months prior to their maturity date), the Company may redeem the 2021 Notes, at its option, at a redemption price equal to 100% of the principal amount of the 2021 Notes to be redeemed plus accrued and unpaid interest. Upon a change of control (as defined in the indenture governing the 2021 Notes) and a contemporaneous downgrade of the 2021 Notes below investment grade, each holder of 2021 Notes will have the right to require the Company to repurchase such holder's 2021 Notes for 101% of their principal amount, plus accrued and unpaid interest.

Note 9: Earnings Per Share

Basic earnings per share was computed by dividing net income by the weighted-average number of common shares outstanding during the period less restricted unvested shares. Diluted earnings per share was computed by dividing net income by the weighted-average number of common shares outstanding plus all potentially dilutive common stock equivalents, primarily shares issuable upon the exercise of stock options using the treasury stock method. The following table reconciles the number of shares utilized in the earnings per share calculations:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Number of common shares—basic	113,515	112,494	113,306	113,246

Effect of dilutive securities:				
Stock options	824	995	825	1,007
Restricted stock awards	239	134	217	128
Number of common shares—diluted	114,578	113,623	114,348	114,381
Number of potentially dilutive securities excluded from calculation due to antidilutive impact	1,457	714	1,482	1,318

Antidilutive options were excluded from the calculation of diluted net income per share and could become dilutive in the future.

Note 10: Industry Segment Information

The Company discloses information about its operating segments based on the way that management organizes the segments within the Company for making operating decisions and assessing financial performance. The Company evaluates the performance of its operating segments based on revenue and operating income. Intersegment revenue and transfers are not significant. The Company's management reviews the results of the Company's operations by the Human Health and Environmental Health operating segments. The accounting policies of the operating segments are the same as those described in Note 1 to the audited consolidated financial statements in the 2011 Form 10-K. The principal products and services of these operating segments are:

- Human Health. Develops diagnostics, tools and applications to help detect diseases earlier and more accurately and to accelerate the discovery and development of critical new therapies. The Human Health segment serves both the diagnostics and research markets.
- Environmental Health. Provides technologies and applications to facilitate the creation of safer food and consumer products, more secure surroundings and efficient energy resources. The Environmental Health segment serves the environmental, industrial and laboratory services markets.

The Company has included the expenses for its corporate headquarters, such as legal, tax, audit, human resources, information technology, and other management and compliance costs, as well as the expense related to mark-to-market and curtailments on postretirement benefit plans, as "Corporate" below. The Company has a process to allocate and recharge expenses to the reportable segments when these costs are administered or paid by the corporate headquarters based on the extent to which the segment benefited from the expenses. These amounts have been calculated in a consistent manner and are included in the Company's calculations of segment results to internally plan and assess the performance of each segment for all purposes, including determining the compensation of the business leaders for each of the Company's operating segments.

Revenue and operating income (loss) by operating segment, excluding discontinued operations, are shown in the table below:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Human Health				
Product revenue	$219,721	$185,480	$435,550	$354,226
Service revenue	38,701	33,337	76,833	65,912
Total revenue	258,422	218,817	512,383	420,138
Operating income from continuing operations	31,538	28,446	53,483	49,983
Environmental Health				
Product revenue	144,522	140,939	285,886	278,319
Service revenue	118,846	119,309	234,411	227,786
Total revenue	263,368	260,248	520,297	506,105
Operating income from continuing operations	28,159	21,748	54,554	51,990
Corporate				
Operating loss from continuing operations[(1)]	(9,910)	(10,775)	(21,868)	(21,123)
Continuing Operations				
Product revenue	$364,243	$326,419	$721,436	$632,545

Service revenue	157,547	152,646	311,244	293,698
Total revenue	521,790	479,065	1,032,680	926,243
Operating income from continuing operations	49,787	39,419	86,169	80,850
Interest and other expense, net (see Note 5)	11,358	4,271	24,188	10,027
Income from continuing operations before income taxes	$38,429	$35,148	$61,981	$70,823

(1) The expenses related to mark-to-market and curtailments on postretirement benefit plans have been included in the Corporate operating loss from continuing operations, and together constituted a pre-tax loss of $1.2 million and a pre-tax gain of $0.2 million for the six months ended July 1, 2012 and July 3, 2011, respectively.

Note 11: Stockholders' Equity

Comprehensive Income:

The components of accumulated other comprehensive income consisted of the following:

	July 1, 2012	January 1, 2012
	(In thousands)	
Foreign currency translation adjustments, net of income taxes	$39,586	$56,164
Unrecognized prior service costs, net of income taxes	2,169	2,169
Unrealized and realized losses on derivatives, net of income taxes	(3,490)	(4,088)
Unrealized net losses on securities, net of income taxes	(137)	(159)
Accumulated other comprehensive income	$38,128	$54,086

The tax effects on the foreign currency translation component of other comprehensive (loss) income have historically been minimal due to the Company's position that undistributed earnings of foreign subsidiaries are indefinitely reinvested. During fiscal year 2011, as a result of the Caliper acquisition, the Company concluded that certain foreign operations did not require the same level of capital as previously expected, and therefore the Company plans to repatriate approximately $350.0 million of previously unremitted earnings and has provided for the estimated taxes on the repatriation of those earnings. Taxes have not been provided for unremitted earnings that the Company continues to consider indefinitely reinvested, which is based on its future operational and capital requirements.

During the fourth quarter of fiscal year 2011 the Company changed its method of recognizing defined benefit pension and other postretirement benefit costs. Accordingly, the financial data for all periods presented has been retrospectively adjusted to reflect the effect of these accounting changes. See Note 1 for a discussion of the Company's changes in accounting and reporting for its pension and other postretirement benefits.

Stock Repurchase Program:

On October 23, 2008, the Company announced that the Board of Directors (the "Board") authorized the Company to repurchase up to 10.0 million shares of common stock under a stock repurchase program (the "Repurchase Program"). On August 31, 2010, the Company announced that the Board had authorized the Company to repurchase an additional 5.0 million shares of common stock under the Repurchase Program. The Repurchase Program will expire on October 22, 2012 unless terminated earlier by the Board, and may be suspended or discontinued at any time. During the first six months of fiscal year 2012, the Company did not repurchase any shares of common stock in the open market under the Repurchase Program. As of July 1, 2012, 6.0 million shares of the Company's common stock remained available for repurchase from the 15.0 million shares authorized by the Board under the Repurchase Program.

The Board has authorized the Company to repurchase shares of common stock to satisfy minimum statutory tax withholding obligations in connection with the vesting of restricted stock awards and restricted stock unit awards granted pursuant to the Company's equity incentive plans. During the first six months of fiscal year 2012, the Company repurchased 80,690 shares of common stock for this purpose at an aggregate cost of $2.1 million. The repurchased shares have been reflected as a reduction in shares outstanding, but remain available to be reissued with

the payments reflected in common stock and capital in excess of par value.

Dividends:

The Board declared a regular quarterly cash dividend of $0.07 per share in the first two quarters of fiscal year 2012 and in each quarter of fiscal year 2011. At July 1, 2012, the Company has accrued $8.0 million for dividends declared prior to quarter end. On July 27, 2012, the Company announced that the Board had declared a quarterly dividend of $0.07 per share for the second quarter of fiscal year 2012 that will be payable in November 2012. In the future, the Board may determine to reduce or eliminate the Company's common stock dividend in order to fund investments for growth, repurchase shares or conserve capital resources.

Note 12: Stock Plans

The Company utilizes one stock-based compensation plan, the 2009 Incentive Plan (the "2009 Plan"). Under the 2009 Plan, 10.0 million shares of the Company's common stock, as well as shares of the Company's common stock previously granted under the Amended and Restated 2001 Incentive Plan and the 2005 Incentive Plan that were cancelled or forfeited without the shares being issued, are authorized for stock option grants, restricted stock awards, performance units and stock grants as part of the Company's compensation programs (the "Plan").

The following table summarizes total pre-tax compensation expense recognized related to the Company's stock options, restricted stock, restricted stock units, performance units and stock grants, net of estimated forfeitures, included in the Company's condensed consolidated statements of operations for the three and six months ended July 1, 2012 and July 3, 2011:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Cost of revenue	$304	$246	$580	$506
Research and development expenses	185	149	361	295
Selling, general and administrative expenses	4,287	4,511	9,311	7,159
Total stock-based compensation expense	$4,776	$4,906	$10,252	$7,960

The total income tax benefit recognized in the condensed consolidated statements of operations for stock-based compensation was $1.5 million and $3.4 million for the three and six months ended July 1, 2012, respectively. The total income tax benefit recognized in the condensed consolidated statements of operations for stock-based compensation was $1.7 million and $2.7 million for the three and six months ended July 3, 2011, respectively. Stock-based compensation costs capitalized as part of inventory were $0.3 million and $0.2 million as of July 1, 2012 and July 3, 2011, respectively. The excess tax benefit recognized from stock awards, classified as a financing cash activity, was $1.1 million and $8.6 million for the six months ended July 1, 2012 and July 3, 2011, respectively.

Stock Options: The fair value of each option grant is estimated using the Black-Scholes option pricing model. The Company's weighted-average assumptions used in the Black-Scholes option pricing model were as follows:

	Three and Six Months Ended			
	July 1, 2012		July 3, 2011	
Risk-free interest rate	0.6	%	1.9	%
Expected dividend yield	1.2	%	1.1	%
Expected lives	4 years		4 years	
Expected stock volatility	38.7	%	38.1	%

The following table summarizes stock option activity for the six months ended July 1, 2012:

	Number of	Weighted-Average	Weighted-Average Remaining	Total Intrinsic

	Shares (In thousands)	Price	Contractual Term (In years)	Value (In millions)
Outstanding at January 1, 2012	5,346	$20.57		
Granted	740	26.25		
Exercised	(637)	18.44		
Canceled	(206)	22.26		
Forfeited	(5)	14.76		
Outstanding at July 1, 2012	5,238	$21.57	3.8	$25.8
Exercisable at July 1, 2012	3,633	$20.34	2.8	$22.3
Vested and expected to vest in the future	4,783	$21.57	3.8	$23.5

The weighted-average per-share grant-date fair value of options granted for the three and six months ended July 1, 2012 was $7.73 and $7.35, respectively. The weighted-average per-share grant-date fair value of options granted for the three and six months ended July 3, 2011 was $8.29 and $7.86, respectively. The total intrinsic value of options exercised for the three and six months ended July 1, 2012 was $0.9 million and $5.2 million, respectively. The total intrinsic value of options exercised for the three and six months ended July 3, 2011 was $1.8 million and $6.9 million, respectively. Cash received from option exercises for the six months ended July 1, 2012 and July 3, 2011 was $11.7 million and $23.6 million, respectively.

The total compensation expense recognized related to the Company's outstanding options was $1.3 million and $2.5 million for the three and six months ended July 1, 2012, respectively, and $1.1 million and $2.2 million for the three and six months ended July 3, 2011, respectively.

There was $8.8 million of total unrecognized compensation cost, net of estimated forfeitures, related to nonvested stock options granted as of July 1, 2012. This cost is expected to be recognized over a weighted-average period of 2.2 fiscal years and will be adjusted for any future changes in estimated forfeitures.

Restricted Stock Awards: The following table summarizes restricted stock award activity for the six months ended July 1, 2012:

	Number of Shares	Weighted-Average Grant-Date Fair Value
	(In thousands)	
Nonvested at January 1, 2012	672	$23.62
Granted	351	25.83
Vested	(179)	23.27
Forfeited	(19)	25.26
Nonvested at July 1, 2012	825	$24.60

The weighted-average per-share grant-date fair value of restricted stock awards granted during the three and six months ended July 1, 2012 was $25.55 and $25.83, respectively. The weighted-average per-share grant-date fair value of restricted stock awards granted during the three and six months ended July 3, 2011 was $27.81 and $26.77, respectively. The fair value of restricted stock awards vested for the three and six months ended July 1, 2012 was $1.3 million and $4.2 million, respectively. The fair value of restricted stock awards vested for the three and six months ended July 3, 2011 was $2.4 million and $5.3 million, respectively. The total compensation expense recognized related to the Company's outstanding restricted stock awards was $2.2 million and $4.1 million for the three and six months ended July 1, 2012, respectively, and $1.6 million and $3.0 million for the three and six months ended July 3, 2011, respectively.

As of July 1, 2012, there was $13.8 million of total unrecognized compensation cost, net of forfeitures, related to nonvested restricted stock awards. That cost is expected to be recognized over a weighted-average period of 1.7 fiscal years.

Performance Units: The Company granted 122,675 performance units and 89,828 performance units during the six months ended July 1, 2012 and July 3, 2011, respectively, as part of the Company's executive incentive program. The

weighted-average per-share grant-date fair value of performance units granted during the six months ended July 1, 2012 and July 3, 2011 was $26.18 and $26.71, respectively. The total compensation expense recognized related to these performance units was $0.6 million and $2.8 million for the three and six months ended July 1, 2012, respectively, and $1.4 million and $1.9 million for the three and six months ended July 3, 2011, respectively. As of July 1, 2012, there were 322,516 performance units outstanding and subject to forfeiture, with a corresponding liability of $6.3 million recorded in accrued expenses.

Stock Awards: The Company generally grants stock awards only to non-employee members of the Board. The Company granted 4,535 shares and 3,544 shares to each non-employee member of the Board during the six months ended July 1, 2012 and July 3, 2011, respectively. The weighted-average per-share grant-date fair value of stock awards granted during the six months ended July 1, 2012 and July 3, 2011 was $27.87 and $28.22, respectively. The total compensation expense recognized related to these stock awards was $0.7 million for each of the three and six months ended July 1, 2012, and $0.8 million for each of the three and six months ended July 3, 2011.

Employee Stock Purchase Plan: During the six months ended July 1, 2012, the Company issued 53,961 shares of common stock under the Company's Employee Stock Purchase Plan at a weighted-average price of $24.51 per share. At July 1, 2012, an aggregate of 1.2 million shares of the Company’s common stock remained available for sale to employees out of the 5.0 million shares authorized by shareholders for issuance under this plan.

Note 13: Goodwill and Intangible Assets, Net

The Company tests goodwill and non-amortizing intangible assets at least annually for possible impairment. Accordingly, the Company completes the annual testing of impairment for goodwill and non-amortizing intangible assets on the later of January 1 or the first day of each fiscal year. In addition to its annual test, the Company regularly evaluates whether events or circumstances have occurred that may indicate a potential impairment of goodwill or non-amortizing intangible assets.

The process of testing goodwill for impairment involves the determination of the fair value of the applicable reporting units. The test consists of a two-step process. The first step is the comparison of the fair value to the carrying value of the reporting unit to determine if the carrying value exceeds the fair value. The second step measures the amount of an impairment loss, and is only performed if the carrying value exceeds the fair value of the reporting unit. The Company performed its annual impairment testing for its reporting units as of January 2, 2012, its annual impairment date for fiscal year 2012, and concluded based on the first step of the process that there was no goodwill impairment.

The Company has consistently employed the income approach to estimate the current fair value when testing for impairment of goodwill. A number of significant assumptions and estimates are involved in the application of the income approach to forecast operating cash flows, including markets and market share, sales volumes and prices, costs to produce, tax rates, capital spending, discount rate and working capital changes. Cash flow forecasts are based on approved business unit operating plans for the early years’ cash flows and historical relationships in later years. The income approach is sensitive to changes in long-term terminal growth rates and the discount rates. The long-term terminal growth rates are consistent with the Company’s historical long-term terminal growth rates, as the current economic trends are not expected to affect the long-term terminal growth rates of the Company. The long-term terminal growth rates for the Company’s reporting units ranged from 4.0% to 6.0% for the fiscal year 2012 impairment analysis. The range for the discount rates for the reporting units was 10.5% to 12.0%. Keeping all other variables constant, a 10.0% change in any one of the input assumptions for the various reporting units would still allow the Company to conclude, based on the first step of the process, that there was no impairment of goodwill.

The Company has consistently employed the relief from royalty model to estimate the current fair value when testing for impairment of non-amortizing intangible assets. The impairment test consists of a comparison of the fair value of the non-amortizing intangible asset with its carrying amount. If the carrying amount of a non-amortizing intangible asset exceeds its fair value, an impairment loss in an amount equal to that excess is recognized. In addition, the Company currently evaluates the remaining useful life of its non-amortizing intangible assets at least annually to determine whether events or circumstances continue to support an indefinite useful life. If events or circumstances indicate that the useful lives of non-amortizing intangible assets are no longer indefinite, the assets will be tested for impairment. These intangible assets will then be amortized prospectively over their estimated remaining useful lives

and accounted for in the same manner as other intangible assets that are subject to amortization. The Company performed its annual impairment testing as of January 2, 2012, and concluded that there was no impairment of non-amortizing intangible assets. An assessment of the recoverability of amortizing intangible assets takes place when events have occurred that may give rise to an impairment. No such events occurred during the first six months of fiscal year 2012.

The changes in the carrying amount of goodwill for the period ended July 1, 2012 from January 1, 2012 were as follows:

	Human Health	Environmental Health	Consolidated
	(In thousands)		
Balance at January 1, 2012	$1,390,571	$703,055	$2,093,626
Foreign currency translation	(9,028)	(4,567)	(13,595)
Balance at July 1, 2012	$1,381,543	$698,488	$2,080,031

Identifiable intangible asset balances at July 1, 2012 and January 1, 2012 by category were as follows:

	July 1, 2012	January 1, 2012
	(In thousands)	
Patents	$107,571	$107,437
Less: Accumulated amortization	(87,852)	(85,188)
Net patents	19,719	22,249
Trade names and trademarks	34,034	35,214
Less: Accumulated amortization	(12,075)	(11,086)
Net trade names and trademarks	21,959	24,128
Licenses	79,573	79,873
Less: Accumulated amortization	(42,211)	(37,339)
Net licenses	37,362	42,534
Core technology	385,338	385,112
Less: Accumulated amortization	(229,912)	(212,834)
Net core technology	155,426	172,278
Customer relationships	314,711	316,782
Less: Accumulated amortization	(89,078)	(69,710)
Net customer relationships	225,633	247,072
IPR&D	7,026	7,131
Less: Accumulated amortization	(1,150)	(819)
Net IPR&D	5,876	6,312
Net amortizable intangible assets	465,975	514,573
Non-amortizing intangible assets:		
Trade names and trademarks	147,034	147,034
Totals	$613,009	$661,607

Total amortization expense related to definite-lived intangible assets for the six months ended July 1, 2012 and July 3, 2011 was $46.7 million and $35.7 million, respectively. Estimated amortization expense related to definite-lived intangible assets for each of the next five years is $42.6 million for the remainder of fiscal year 2012, $85.5 million for fiscal year 2013, $77.7 million for fiscal year 2014, $62.9 million for fiscal year 2015, and $52.3 million for fiscal year 2016.

Note 14: Warranty Reserves

The Company provides warranty protection for certain products usually for a period of one year beyond the date of sale. The majority of costs associated with warranty obligations include the replacement of parts and the time for service personnel to respond to repair and replacement requests. A warranty reserve is recorded based upon historical

results, supplemented by management's expectations of future costs. Warranty reserves are included in "Accrued expenses" on the condensed consolidated balance sheets. Warranty reserve activity for the three and six months ended July 1, 2012 and July 3, 2011 is summarized below:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Balance beginning of period	$10,749	$8,271	$10,412	$8,250
Provision charged to income	4,271	3,731	8,897	7,059
Payments	(4,193)	(3,735)	(9,040)	(7,162)
Adjustments to previously provided warranties, net	30	682	487	557
Foreign currency translation and acquisitions	(232)	108	(131)	353
Balance end of period	$10,625	$9,057	$10,625	$9,057

Note 15: Employee Postretirement Benefit Plans

During the fourth quarter of fiscal year 2011 the Company changed its method of recognizing defined benefit pension and other postretirement benefit costs. Accordingly, the financial data for all periods presented has been retrospectively adjusted to reflect the effect of these accounting changes. See Note 1 for a discussion of the Company's changes in accounting and reporting for its pension and other postretirement benefits.

The following table summarizes the components of net periodic benefit cost (credit) for the Company's various defined benefit employee pension and postretirement plans for the three and six months ended July 1, 2012 and July 3, 2011:

	Defined Benefit Pension Benefits Three Months Ended		Postretirement Medical Benefits	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Service cost	$977	$972	$28	$21
Interest cost	5,792	6,321	37	41
Expected return on plan assets	(5,140)	(5,649)	(219)	(221)
Amortization of prior service costs	(60)	(56)	—	(63)
Net periodic benefit cost (credit)	$1,569	$1,588	$(154)	$(222)

	Defined Benefit Pension Benefits Six Months Ended		Postretirement Medical Benefits	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Service cost	$1,957	$1,944	$56	$43
Interest cost	11,607	12,639	74	81
Expected return on plan assets	(10,282)	(11,297)	(438)	(442)
Amortization of prior service	(120)	(112)	—	(126)
Net periodic benefit cost (credit)	$3,162	$3,174	$(308)	$(444)

During the first six months of fiscal year 2012, the Company made a contribution of $17.0 million for the 2011 plan year to its defined benefit pension plan in the United States. During the first six months of fiscal year 2012, the Company made contributions of $5.5 million in the aggregate to its defined benefit pension plans outside of the United States.

Note 16: Derivatives and Hedging Activities

The Company uses derivative instruments as part of its risk management strategy only, and includes derivatives utilized as economic hedges that are not designated as hedging instruments. By nature, all financial instruments involve market and credit risks. The Company enters into derivative instruments with major investment grade financial institutions and has policies to monitor the credit risk of those counterparties. The Company does not enter into derivative contracts for trading or other speculative purposes, nor does the Company use leveraged financial instruments. Approximately 60% of the Company's business is conducted outside of the United States, generally in foreign currencies. The fluctuations in foreign currency can increase the costs of financing, investing and operating the business. The intent of these economic hedges is to offset gains and losses that occur on the underlying exposures from these currencies, with gains and losses resulting from the forward currency contracts that hedge these exposures. In the ordinary course of business, the Company enters into foreign exchange contracts for periods consistent with its committed exposures to mitigate the effect of foreign currency movements on transactions denominated in foreign currencies. Transactions covered by hedge contracts include intercompany and third-party receivables and payables. The contracts are primarily in European and Asian currencies, have maturities that do not exceed 12 months, have no cash requirements until maturity, and are recorded at fair value on the Company's condensed consolidated balance sheets. Unrealized gains and losses on the Company's foreign currency contracts are recognized immediately in earnings for hedges designated as fair value and, for hedges designated as cash flow, the related unrealized gains or losses are deferred as a component of other comprehensive (loss) income in the accompanying condensed consolidated balance sheets. Deferred gains and losses are recognized in income in the period in which the underlying anticipated transaction occurs and impacts earnings.

Principal hedged currencies include the British Pound, Canadian Dollar, Euro, Japanese Yen and Singapore Dollar. The Company held forward foreign exchange contracts with U.S. equivalent notional amounts totaling $61.7 million at July 1, 2012 and $108.4 million at July 3, 2011, and the approximate fair value of these foreign currency derivative contracts was insignificant. The gains and losses realized on foreign currency derivative contracts are not material. The duration of these contracts was generally 30 days during both fiscal years 2012 and 2011. Also, during the six months ended July 1, 2012 the Company entered into two forward foreign exchange contracts with the same institution and having the same settlement date in October 2012, with Euro denominated notional amounts of Euro 125.0 million. The fair value of these currency derivative contracts at July 1, 2012 was a net receivable of $4.1 million.

In May 2008, the Company settled forward interest rate contracts with notional amounts totaling $150.0 million upon the issuance of its 2015 Notes, and recognized $8.4 million, net of taxes of $5.4 million, of accumulated derivative losses in other comprehensive (loss) income. The derivative losses are being amortized into interest expense when the hedged exposure affects interest expense. As of July 1, 2012, the balance remaining in accumulated other comprehensive income related to the effective cash flow hedges was $3.5 million, net of taxes of $2.3 million. The Company amortized into interest expense $1.0 million for the first six months of fiscal year 2012 and $2.0 million for fiscal year 2011.

Note 17: Fair Value Measurements

The Company uses the market approach technique to value its financial instruments and there were no changes in valuation techniques during the six months ended July 1, 2012. The Company's financial assets and liabilities carried at fair value are primarily comprised of marketable securities, derivative contracts used to hedge the Company's currency risk, and acquisition-related contingent consideration. The Company has not elected to measure any additional financial instruments or other items at fair value.

Valuation Hierarchy: The following summarizes the three levels of inputs required to measure fair value. For Level 1 inputs, the Company utilizes quoted market prices as these instruments have active markets. For Level 2 inputs, the Company utilizes quoted market prices in markets that are not active, broker or dealer quotations, or utilizes alternative pricing sources with reasonable levels of price transparency. For Level 3 inputs, the Company utilizes unobservable inputs based on the best information available, including estimates by management primarily based on information provided by third-party fund managers, independent brokerage firms and insurance companies. A financial asset's or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The following tables show the assets and liabilities carried at fair value measured on a recurring basis at July 1, 2012 and January 1, 2012 classified in one of the three classifications described above:

	Fair Value Measurements at July 1, 2012 Using:			
	Total Carrying Value at July 1, 2012	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
Marketable securities	$1,102	$ 1,102	$ —	$—
Foreign exchange derivative assets, net	4,050	—	4,050	—
Foreign exchange derivative liabilities, net	(41)	—	(41)	—
Contingent consideration	(7,315)	—	—	(7,315)

	Fair Value Measurements at January 1, 2012 Using:			
	Total Carrying Value at January 1, 2012	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
Marketable securities	$1,105	$ 1,105	$ —	$—
Foreign exchange derivative liabilities, net	(213)	—	(213)	—
Contingent consideration	(20,298)	—	—	(20,298)

Valuation Techniques: The Company's Level 1 and Level 2 assets and liabilities are comprised of investments in equity and fixed-income securities as well as derivative contracts. For financial assets and liabilities that utilize Level 1 and Level 2 inputs, the Company utilizes both direct and indirect observable price quotes, including common stock price quotes, foreign exchange forward prices and bank price quotes. Below is a summary of valuation techniques for Level 1 and Level 2 financial assets and liabilities.

Marketable securities	Include equity and fixed-income securities measured at fair value using the quoted market prices at the reporting date.
Foreign exchange derivative assets and liabilities	Include foreign exchange derivative contracts that are valued using quoted forward foreign exchange prices at the reporting date.

The Company has classified its net liabilities for contingent consideration relating to its acquisitions of chemagen Biopolymer-Technologie AG, ArtusLabs, Inc., ID Biological Systems, Inc., and Dexela Limited within Level 3 of the fair value hierarchy because the fair value is determined using significant unobservable inputs, which included probability weighted cash flows. A description of the acquisitions is included within Note 2 to the Company's audited consolidated financial statements filed with the 2011 Form 10-K. Contingent consideration is measured at fair value at the acquisition date, based on revenue thresholds or product development milestones anticipated to be achieved during the earnout period. Increases or decreases in the fair value of contingent consideration liabilities primarily result from changes in the estimated probabilities of achieving revenue thresholds or product development milestones during the earnout period. The Company may have to pay contingent consideration of up to $24.3 million, with an estimated fair value of $7.3 million at July 1, 2012. The earnouts periods for these acquisitions do not exceed three years from acquisition. A reconciliation of the beginning and ending Level 3 net liabilities is as follows:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Balance beginning of period	$(20,636)	$(15,645)	$(20,298)	$(1,731)
Additions	—	(4,600)	—	(20,131)
Amounts paid and foreign currency translation	13,646	—	13,646	1,908

Change in fair value (included within selling, general and administrative expenses)	(325)	(664)	(663)	(955)
Balance end of period	$(7,315)	$(20,909)	$(7,315)	$(20,909)

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term maturities of these assets and liabilities. If measured at fair value, cash and cash equivalents would be classified as Level 1.

The Company's senior unsecured revolving credit facility, with a $700.0 million available limit, had carrying values of $264.0 million and $298.0 million as of July 1, 2012 and January 1, 2012, respectively. The interest rate on the Company's senior unsecured revolving credit facility is reset at least monthly to correspond to variable rates that reflect currently available terms and conditions for similar debt. The Company had no change in credit standing during the first six months of fiscal year 2012. Consequently, the carrying value of the current year and prior year credit facilities approximate fair value and would be classified as Level 2.

The Company's 2015 Notes, with a face value of $150.0 million, had an aggregate carrying value of $150.0 million and a fair value of $163.5 million as of July 1, 2012. The 2015 Notes had an aggregate carrying value of $150.0 million and a fair value of $165.7 million as of January 1, 2012. The Company's 2021 Notes, with a face value of $500.0 million, had an aggregate carrying value of $497.0 million, net of $3.0 million of unamortized original issue discount, and a fair value of $523.8 million as of July 1, 2012. The 2021 Notes had an aggregate carrying value of $496.9 million, net of $3.1 million of unamortized original issue discount, and a fair value of $518.3 million as of January 1, 2012. The fair values of the 2015 Notes and the 2021 Notes are estimated using market quotes from brokers, or are based on current rates offered for similar debt. As of July 1, 2012, long-term debt was classified as Level 2.

As of July 1, 2012, there has not been any significant impact to the fair value of the Company's derivative liabilities due to credit risk. Similarly, there has not been any significant adverse impact to the Company's derivative assets based on the evaluation of its counterparties' credit risks.

Note 18: Contingencies

The Company is conducting a number of environmental investigations and remedial actions at current and former locations of the Company and, along with other companies, has been named a potentially responsible party ("PRP") for certain waste disposal sites. The Company accrues for environmental issues in the accounting period that the Company's responsibility is established and when the cost can be reasonably estimated. The Company has accrued $5.5 million as of July 1, 2012, which represents management's estimate of the total cost of ultimate disposition of known environmental matters. This amount is not discounted and does not reflect the recovery of any amounts through insurance or indemnification arrangements. These cost estimates are subject to a number of variables, including the stage of the environmental investigations, the magnitude of the possible contamination, the nature of the potential remedies, possible joint and several liability, the time period over which remediation may occur, and the possible effects of changing laws and regulations. For sites where the Company has been named a PRP, management does not currently anticipate any additional liability to result from the inability of other significant named parties to contribute. The Company expects that the majority of such accrued amounts could be paid out over a period of up to ten years. As assessment and remediation activities progress at each individual site, these liabilities are reviewed and adjusted to reflect additional information as it becomes available. There have been no environmental problems to date that have had, or are expected to have, a material adverse effect on the Company's condensed consolidated financial statements. While it is possible that a loss exceeding the amounts recorded in the condensed consolidated financial statements may be incurred, the potential exposure is not expected to be materially different from those amounts recorded.

Enzo Biochem, Inc. and Enzo Life Sciences, Inc. (collectively, "Enzo") filed a complaint dated October 23, 2002 in the United States District Court for the Southern District of New York, Civil Action No. 02-8448, against Amersham plc, Amersham BioSciences, PerkinElmer, Inc., PerkinElmer Life Sciences, Inc., Sigma-Aldrich Corporation, Sigma Chemical Company, Inc., Molecular Probes, Inc., and Orchid BioSciences, Inc. (the "New York Case"). The complaint alleges that the Company has breached its distributorship and settlement agreements with Enzo, infringed Enzo's patents, engaged in unfair competition and fraud, and committed torts against Enzo by, among other things, engaging in commercial development and exploitation of Enzo's patented products and technology, separately and together with

the other defendants. Enzo seeks injunctive and monetary relief. In 2003, the court severed the lawsuit and ordered Enzo to serve individual complaints against the five defendants. The Company subsequently filed an answer and a counterclaim alleging that Enzo's patents are invalid. In July 2006, the court issued a decision regarding the construction of the claims in Enzo's patents that effectively limited the coverage of certain of those claims and, the Company believes, excludes certain of the Company's products from the coverage of Enzo's patents. Summary judgment motions were filed by the defendants in January 2007, and a hearing with oral argument on those motions took place in July 2007. In January 2009, the case was assigned to a new district court judge and in March 2009, the new judge denied the pending summary judgment motions without prejudice and ordered a stay of the case until the federal appellate court decides Enzo's appeal of the judgment of the United States District Court for the District of Connecticut in Enzo Biochem vs. Applera Corp. and Tropix, Inc. (the "Connecticut Case"), which involves a number of the same patents and which could materially affect the scope of Enzo's case against the Company. On March 26, 2010, the United States Court of Appeals for the Federal Circuit affirmed-in-part and reversed-in-part the judgment in the Connecticut Case. The New York Case against the Company and other defendants remains stayed except that the district court has permitted the Company and the other defendants to jointly file a motion for summary judgment on certain patent and other issues common to all of the defendants.

The Company believes it has meritorious defenses to the matter described above, and it is contesting the action vigorously. While this matter is subject to uncertainty, in the opinion of the Company's management, based on its review of the information available at this time, the resolution of this matter will not have a material adverse effect on the Company's condensed consolidated financial statements.

The Company is also subject to various other claims, legal proceedings and investigations covering a wide range of matters that arise in the ordinary course of its business activities. Although the Company has established accruals for potential losses that it believes are probable and reasonably estimable, in the opinion of the Company's management, based on its review of the information available at this time, the total cost of resolving these other contingencies at July 1, 2012 should not have a material adverse effect on the Company's condensed consolidated financial statements. However, each of these matters is subject to uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company.

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This quarterly report on Form 10-Q, including the following management's discussion and analysis, contains forward-looking information that you should read in conjunction with the condensed consolidated financial statements and notes to the condensed consolidated financial statements that we have included elsewhere in this report. For this purpose, any statements contained in this report that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "believes," "plans," "anticipates," "intends," "expects," "will" and similar expressi are intended to identify forward-looking statements. Our actual results may differ materially from the plans, intentions or expectations we disclose in the forward-looking statements we make. We have included important factors below under the heading "Risk Factors" in Part II, Item 1A. that we believe could cause actual results to differ materially from the forward-looking statements we make. We are not obligated to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

We are a leading provider of technology, services and solutions to the diagnostics, research, environmental and safety, industrial and laboratory services markets. Through our advanced technologies, solutions and services, we address critical issues that help to improve the health and safety of people and their environment in two reporting segments:

- Human Health. Develops diagnostics, tools and applications to help detect diseases earlier and more accurately and to accelerate the discovery and development of critical new therapies. The Human Health segment serves both the diagnostics and research markets.
- Environmental Health. Provides technologies and applications to facilitate the creation of safer food and consumer products, more secure surroundings and efficient energy resources. The Environmental Health segment serves the environmental, industrial and laboratory services markets.

Overview of the Second Quarter of Fiscal Year 2012

Our fiscal year ends on the Sunday nearest December 31. We report fiscal years under a 52/53 week format, and as a result certain fiscal years will contain 53 weeks. Both our 2012 and 2011 fiscal years include 52 weeks.

During the second quarter of fiscal year 2012, we continued to see good performance from acquisitions, investments in our ongoing technology and sales and marketing initiatives. Our overall revenue in the second quarter of fiscal year 2012 increased $42.7 million, or 9%, as compared to the second quarter of fiscal year 2011, reflecting an increase of $39.6 million, or 18%, in our Human Health segment revenue and an increase of $3.1 million, or 1%, in our Environmental Health segment revenue. The increase in our Human Health segment revenue during the three months ended July 1, 2012 was due to growth generated from both our screening and our medical imaging businesses within the diagnostics market, as well as the addition of Caliper Life Sciences, Inc. ("Caliper") within the research market. The increase in our Environmental Health segment revenue during the three months ended July 1, 2012 was due to growth in our informatics offerings within the laboratory services market and growth from our environmental, food and consumer safety and testing products, partially offset by decreased demand for our applications in the industrial markets.

In our Human Health segment during the second quarter of fiscal year 2012 as compared to the second quarter of fiscal year 2011, we experienced growth in the diagnostics market as birth rates in the United States begin to stabilize and from continued expansion of our prenatal, newborn and infectious disease screening solutions in key regions outside the United States, particularly in emerging markets such as China. In our medical imaging business, we had continued growth from our traditional diagnostic imaging offerings, as well as increased demand for our complementary metal-oxide-semiconductor ("CMOS") imaging technology, which was primarily focused on surgical applications. We also experienced growth in the research market due to continued demand for our in-vivo imaging systems with the addition of Caliper imaging systems. The growth in the research market was partially offset by reduced sales to pharmaceutical companies resulting from reduced research and development spending, as well as a decline in demand for our suite of radiometric detection equipment and reagents, particularly in Europe. As the rising cost of healthcare continues to be one of the critical issues facing our customers, we anticipate that even with continued pressure on laboratory budgets and credit availability, the benefits of providing earlier detection of disease, which can result in savings of long-term health care costs as well as creating better outcomes for patients, are

increasingly valued and we expect to see continued growth in these markets.

In our Environmental Health segment, our laboratory services business offers services designed to enable our customers to increase efficiencies and production time, while reducing maintenance costs, all of which continue to be critical for our customers. During the second quarter of fiscal year 2012, we had increased demand for our informatics offerings, and we continued to grow our laboratory services business by adding new customers to our OneSource multivendor service offering. Sales of environmental, food and consumer safety and testing products grew in the second quarter of fiscal year 2012, as

Table of Contents

compared to the second quarter of fiscal year 2011 as increased regulations in environmental and food safety markets continued to drive demand for our analytical instrumentation and follow-on consumables, particularly in China and South America. We saw continued strength in our inorganic analysis solutions, such as our NexION® mass spectrometer, as trace metals identification remains a critical component of contaminant detection for environmental, as well as food and consumer safety, applications. These increases were partially offset by decreased demand for our applications in the industrial markets. We believe these trends will continue as emerging contaminant testing protocols and corresponding regulations are developed, resulting in continued demand for efficient, analytically sensitive and information rich testing solutions.

Our consolidated gross margins increased 210 basis points in the second quarter of fiscal year 2012, as compared to the second quarter of fiscal year 2011, due to increased sales volume, changes in product mix with growth in sales of higher gross margin product offerings and productivity improvements. Our consolidated operating margin increased 131 basis points in the second quarter of fiscal year 2012, as compared to the second quarter of fiscal year 2011, primarily as a result of higher gross margins, cost containment and productivity initiatives, partially offset by increased costs related to acquisitions and growth investments in research and development.

We believe we are well positioned to continue to take advantage of the stable spending trends in our end markets and to promote our efficiencies in markets where current conditions may increase demand for certain services. Overall, we believe that our strategic focus on Human Health and Environmental Health coupled with our breadth of end markets, deep portfolio of technologies and applications, leading market positions, global scale and financial strength will provide us with a strong foundation for continued growth.

Critical Accounting Policies and Estimates

The preparation of condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, sales and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to revenue recognition, warranty costs, bad debts, inventories, accounting for business combinations and dispositions, long-lived assets, income taxes, restructuring, pensions and other postretirement benefits, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those policies that affect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements. We believe our critical accounting policies include our policies regarding revenue recognition, warranty costs, allowances for doubtful accounts, inventory valuation, business combinations, value of long-lived assets, including goodwill and other intangibles, employee compensation and benefits, restructuring activities, gains or losses on dispositions and income taxes.

For a more detailed discussion of our critical accounting policies and estimates, please refer to the Notes to our Audited Consolidated Financial Statements and Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in our Annual Report on Form 10-K for the fiscal year ended January 1, 2012 (our “2011 Form 10-K”), as filed with the Securities and Exchange Commission.

Consolidated Results of Continuing Operations

Revenue

Revenue for the three months ended July 1, 2012 was $521.8 million, as compared to $479.1 million for the three months ended July 3, 2011, an increase of $42.7 million, or 9%, which includes an approximate 4% decrease in revenue attributable to unfavorable changes in foreign exchange rates and an approximate 8% increase from acquisitions. The analysis in the remainder of this paragraph compares segment revenue for the three months ended July 1, 2012 as compared to the three months ended July 3, 2011 and includes the effect of foreign exchange rate fluctuations and acquisitions. The total increase in revenue reflects an increase of $39.6 million, or 18%, in our Human Health segment revenue due to an increase in research market revenue of $24.5 million and an increase in

diagnostics market revenue of $15.1 million. Our Environmental Health segment revenue increased $3.1 million, or 1%, due to an increase in laboratory services market revenue of $6.3 million, partially offset by decreases in environmental and safety and industrial markets revenue of $3.2 million. As a result of adjustments to deferred revenue related to certain acquisitions required by business combination rules, we did not recognize $10.5 million of revenue for the three months ended July 1, 2012 and $6.2 million for the three months ended July 3, 2011 that otherwise would have been recorded by the acquired businesses during each of the respective periods.

Table of Contents

Revenue for the six months ended July 1, 2012 was $1,032.7 million, as compared to $926.2 million for the six months ended July 3, 2011, an increase of $106.4 million, or 11%, which includes an approximate 3% decrease in revenue attributable to unfavorable changes in foreign exchange rates and an approximate 9% increase from acquisitions. The analysis in the remainder of this paragraph compares segment revenue for the six months ended July 1, 2012 as compared to the six months ended July 3, 2011 and includes the effect of foreign exchange rate fluctuations and acquisitions. The total increase in revenue reflects an increase of $92.2 million, or 22%, in our Human Health segment revenue due to an increase in research market revenue of $60.8 million, and an increase in diagnostics market revenue of $31.4 million. Our Environmental Health segment revenue increased $14.2 million, or 3%, due to an increase in laboratory services market revenue of $15.6 million, offset by decreases in environmental and safety and industrial markets revenue of $1.4 million. As a result of adjustments to deferred revenue related to certain acquisitions required by business combination rules, we did not recognize $16.9 million of revenue for the six months ended July 1, 2012 and $6.4 million for the six months ended July 3, 2011 that otherwise would have been recorded by the acquired businesses during each of the respective periods.

Cost of Revenue

Cost of revenue for the three months ended July 1, 2012 was $283.0 million, as compared to $269.9 million for the three months ended July 3, 2011, an increase of $13.1 million, or 5%. As a percentage of revenue, cost of revenue decreased to 54.2% for the three months ended July 1, 2012, from 56.3% for the three months ended July 3, 2011, resulting in an increase in gross margin of 210 basis points to 45.8% for the three months ended July 1, 2012, from 43.7% for the three months ended July 3, 2011. Amortization of intangible assets decreased and was $12.9 million for the three months ended July 1, 2012, as compared to $13.4 million for the three months ended July 3, 2011. Stock-based compensation expense increased and was $0.3 million for the three months ended July 1, 2012, as compared to $0.2 million for the three months ended July 3, 2011. The amortization of purchase accounting adjustments to record the inventory from certain acquisitions completed in fiscal year 2011 was $0.3 million for each of the three months ended July 1, 2012 and July 3, 2011. The increase in gross margin was primarily the result of increased sales volume, changes in product mix with growth in sales of higher gross margin product offerings and productivity improvements.

Cost of revenue for the six months ended July 1, 2012 was $561.9 million, as compared to $516.7 million for the six months ended July 3, 2011, an increase of $45.1 million, or 9%. As a percentage of revenue, cost of revenue decreased to 54.4% for the six months ended July 1, 2012, from 55.8% for the six months ended July 3, 2011, resulting in a increase in gross margin of 138 basis points to 45.6% for the six months ended July 1, 2012, from 44.2% for the six months ended July 3, 2011. Amortization of intangible assets increased and was $25.9 million for the six months ended July 1, 2012, as compared to $24.8 million for the six months ended July 3, 2011. Stock-based compensation expense increased and was $0.6 million for the six months ended July 1, 2012, as compared to $0.5 million for the six months ended July 3, 2011. The amortization of purchase accounting adjustments to record the inventory from certain acquisitions completed in fiscal year 2011 was $4.8 million for the six months ended July 1, 2012, as compared to $0.4 million for the six months ended July 3, 2011. The increase in gross margin was primarily the result of increased sales volume, changes in product mix with growth in sales of higher gross margin product offerings and productivity improvements, partially offset by increased costs related to acquisitions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended July 1, 2012 were $149.7 million, as compared to $138.4 million for the three months ended July 3, 2011, an increase of $11.3 million, or 8%. As a percentage of revenue, selling, general and administrative expenses decreased and were 28.7% for the three months ended July 1, 2012, as compared to 28.9% for the three months ended July 3, 2011. Amortization of intangible assets increased and was $10.1 million for the three months ended July 1, 2012, as compared to $5.7 million for the three months ended July 3, 2011. Stock-based compensation expense decreased and was $4.3 million for the three months ended July 1, 2012, as compared to $4.5 million for the three months ended July 3, 2011. Acquisition related costs for integration, contingent consideration and other acquisition costs related to certain acquisitions was an expense of $0.7 million for the three months ended July 1, 2012, as compared to $1.8 million for the three months ended July 3, 2011. The increase in selling, general and administrative expenses was primarily the result of costs related to acquisitions,

partially offset by cost containment and productivity initiatives.

Selling, general and administrative expenses for the six months ended July 1, 2012 were $306.6 million, as compared to $271.1 million for the six months ended July 3, 2011, an increase of $35.5 million, or 13%. As a percentage of revenue, selling, general and administrative expenses increased and were 29.7% for the six months ended July 1, 2012, as compared to 29.3% for the six months ended July 3, 2011. Amortization of intangible assets increased and was $20.4 million for the six months ended July 1, 2012, as compared to $10.3 million for the six months ended July 3, 2011. Stock-based compensation expense increased and was $9.3 million for the six months ended July 1, 2012, as compared to $7.2 million for the six months ended July 3, 2011. Acquisition related costs for integration, contingent consideration and other acquisition costs related to certain acquisitions was an expense of $1.5 million for the six months ended July 1, 2012, as compared to $5.0 million for the six

Table of Contents

months ended July 3, 2011. The increase in selling, general and administrative expenses was primarily the result of costs related to acquisitions and increased sales and marketing expenses, particularly in emerging territories, partially offset by cost containment and productivity initiatives.

Research and Development Expenses

Research and development expenses for the three months ended July 1, 2012 were $34.1 million, as compared to $28.0 million for the three months ended July 3, 2011, an increase of $6.0 million, or 22%. As a percentage of revenue, research and development expenses increased and were 6.5% for the three months ended July 1, 2012, as compared to 5.9% for the three months ended July 3, 2011. Amortization of intangible assets increased and was $0.3 million for the three months ended July 1, 2012, as compared to $0.2 million for the three months ended July 3, 2011. Stock-based compensation expense increased and was $0.2 million for the three months ended July 1, 2012, as compared to $0.1 million for the three months ended July 3, 2011. We primarily directed research and development efforts during fiscal years 2012 and 2011 toward the diagnostics and research markets within our Human Health segment, and the environmental, and laboratory service and support markets within our Environmental Health segment, in order to help accelerate our growth initiatives.

Research and development expenses for the six months ended July 1, 2012 were $66.7 million, as compared to $54.2 million for the six months ended July 3, 2011, an increase of $12.5 million, or 23%. As a percentage of revenue, research and development expenses increased and were 6.5% for the six months ended July 1, 2012, as compared to 5.9% for the six months ended July 3, 2011. Amortization of intangible assets decreased and was $0.4 million for the six months ended July 1, 2012, as compared to $0.5 million for the six months ended July 3, 2011. Stock-based compensation expense increased and was $0.4 million for the six months ended July 1, 2012, as compared to $0.3 million for the six months ended July 3, 2011.

Restructuring and Contract Termination Charges, Net

We have undertaken a series of restructuring actions related to the impact of acquisitions and divestitures, alignment with our growth strategy and the integration of our business units. The current portion of restructuring and contract termination charges, net, is recorded in accrued restructuring costs, and the long-term portion of restructuring and contract termination charges, net, is recorded in long-term liabilities. The activities associated with these plans have been reported as restructuring expenses and are included as a component of operating expenses from continuing operations.

A description of the restructuring plans and the activity recorded for the six months ended July 1, 2012 is listed below. Details of the plans initiated in previous years, particularly those listed under “Previous Restructuring and Integration Plans,” are discussed more fully in Note 4 to the audited consolidated financial statements in our 2011 Form 10-K.

The restructuring plans for the first and second quarters of fiscal year 2012 were intended principally to realign operations, research and development resources, and production resources as a result of recent acquisitions. We expect the impact of immediate cost savings from the restructuring plans on operating results and cash flows to approximately offset the increased spending required to realign operations. We expect the impact of future cost savings from these restructuring activities on operating results and cash flows will exceed $10.0 million on an annual basis beginning in fiscal year 2014, primarily as a decrease to cost of revenue and a decrease to selling, general and administrative expenses.

The restructuring plans for the second and fourth quarters of fiscal year 2011 were intended principally to shift resources to higher growth geographic regions and end markets. We expect the impact of immediate cost savings from the restructuring plans on operating results and cash flows to approximately offset the increased spending required in higher growth geographic regions. We expect the impact of future cost savings from these restructuring activities on operating results and cash flows to be negligible, as we will incur offsetting costs by shifting such resources.

Q2 2012 Restructuring Plan

During the second quarter of fiscal year 2012, our management approved a plan to realign operations, research and development resources, and production resources as a result of recent acquisitions (the “Q2 2012 Plan”). As a result of the Q2 2012 Plan, and during the three months ended July 1, 2012, we recognized a $4.0 million pre-tax restructuring charge in the Human Health segment related to a workforce reduction from reorganization activities and recognized a $0.2 million pre-tax restructuring charge in the Environmental Health segment related to a workforce reduction from

reorganization activities. We expect to recognize an additional $5.4 million of incremental restructuring expense in future periods as services are provided for one-time termination benefits in which the employee is required to render service until termination in order to receive the benefits, and will be recognized ratably over the future service period. As part of the Q2 2012 Plan, we will reduce headcount by 229 employees. All employees were notified of termination under the Q2 2012 Plan by July 1, 2012.

Table of Contents

The following table summarizes the Q2 2012 Plan activity for the six months ended July 1, 2012:

	Severance
	(In thousands)
Provision	$4,218
Amounts paid and foreign currency translation	(714)
Balance at July 1, 2012	$3,504

We anticipate that the remaining severance payments of $3.5 million for workforce reductions will be completed by the end of the fourth quarter of fiscal year 2013.

Q1 2012 Restructuring Plan

During the first quarter of fiscal year 2012, our management approved a plan to realign operations and production resources as a result of recent acquisitions (the "Q1 2012 Plan"). As a result of the Q1 2012 Plan, and during the six months ended July 1, 2012, we recognized a $5.4 million pre-tax restructuring charge in the Human Health segment related to a workforce reduction from reorganization activities and recognized a $0.8 million pre-tax restructuring charge in the Environmental Health segment related to a workforce reduction from reorganization activities and the closure of excess facility space. We expect to recognize an additional $0.5 million of incremental restructuring expense in future periods as services are provided for one-time termination benefits in which the employee is required to render service until termination in order to receive the benefits, and will be recognized ratably over the future service period. As part of the Q1 2012 Plan, we will reduce headcount by 129 employees. All employees were notified of termination and we completed all actions related to the closure of excess facility space under the Q1 2012 Plan by April 1, 2012.

The following table summarizes the Q1 2012 Plan activity for the six months ended July 1, 2012:

	Severance	Closure of Excess Facility Space	Total
	(In thousands)		
Provision	$6,125	$79	$6,204
Amounts paid and foreign currency translation	(3,236)	(79)	(3,315)
Balance at July 1, 2012	$2,889	$—	$2,889

We anticipate that the remaining severance payments of $2.9 million for workforce reductions will be completed by the end of the fourth quarter of fiscal year 2012.

Q4 2011 Restructuring Plan

During the fourth quarter of fiscal year 2011, our management approved a plan to shift resources to higher growth geographic regions and end markets (the "Q4 2011 Plan"). As a result of the Q4 2011 Plan, we recognized a $2.3 million pre-tax restructuring charge in the Human Health segment related to a workforce reduction from reorganization activities. We also recognized a $4.6 million pre-tax restructuring charge in the Environmental Health segment related to a workforce reduction from reorganization activities and the closure of excess facility space. During the first six months of fiscal year 2012, we recorded a pre-tax restructuring reversal of $0.1 million relating to the Q4 2011 Plan due to a reduction in the estimated costs associated with the closure of an excess facility in the Environmental Health segment. As part of the Q4 2011 Plan, we reduced headcount by 114 employees. All employees were notified of termination and we completed all actions related to the closure of excess facility space under the Q4 2011 Plan by January 1, 2012.

Table of Contents

The following table summarizes the Q4 2011 Plan activity for the six months ended July 1, 2012:

	Severance	Closure of Excess Facility Space	Total
	(In thousands)		
Balance at January 1, 2012	$4,674	$370	$5,044
Change in estimates	—	(135)	(135)
Amounts paid and foreign currency translation	(3,233)	(60)	(3,293)
Balance at July 1, 2012	$1,441	$175	$1,616

We anticipate that the remaining severance payments of $1.4 million for workforce reductions will be completed by the end of the second quarter of fiscal year 2013. We also anticipate that the remaining payments of $0.2 million for the closure of excess facility space will be paid through the third quarter of fiscal year 2012, in accordance with the terms of the applicable lease.

Q2 2011 Restructuring Plan

During the second quarter of fiscal year 2011, our management approved a plan to shift resources to higher growth geographic regions and end markets (the "Q2 2011 Plan"). As a result of the Q2 2011 Plan, we recognized a $2.2 million pre-tax restructuring charge in the Human Health segment related to a workforce reduction from reorganization activities and the closure of excess facility space. We also recognized a $3.4 million pre-tax restructuring charge in the Environmental Health segment related to a workforce reduction from reorganization activities and the closure of excess facility space. As part of the Q2 2011 Plan, we reduced headcount by 72 employees. All employees were notified of termination and we completed all actions related to the closure of excess facility space under the Q2 2011 Plan by July 3, 2011.

The following table summarizes the Q2 2011 Plan activity for the six months ended July 1, 2012:

	Severance	Closure of Excess Facility Space	Total
	(In thousands)		
Balance at January 1, 2012	$1,283	$—	$1,283
Amounts paid and foreign currency translation	(454)	—	(454)
Balance at July 1, 2012	$829	$—	$829

We anticipate that the remaining severance payments of $0.8 million for workforce reductions will be completed by the end of the fourth quarter of fiscal year 2012.

Previous Restructuring and Integration Plans

The principal actions of the restructuring and integration plans from fiscal years 2001 through 2010 were workforce reductions related to the integration of our businesses in order to reduce costs and achieve operational efficiencies as well as workforce reductions in both the Human Health and Environmental Health segments by shifting resources into geographic regions and product lines that are more consistent with our growth strategy. During the six months ended July 1, 2012, we paid $2.5 million related to these plans and recorded an additional charge of $0.3 million to reduce the estimated sublease rental payments reasonably expected to be obtained for an excess facility in Europe within the Environmental Health segment, as well as a charge of $0.4 million related to higher than expected costs associated with workforce reductions in Europe within the Human Health segment. As of July 1, 2012, we had $12.7 million of remaining liabilities associated with these restructuring and integration plans, primarily for residual lease obligations related to closed facilities and remaining severance payments for workforce reductions in both the Human Health and Environmental Health segments. We expect to make payments for these leases, the terms of which vary in length, through fiscal year 2022.

Table of Contents

Contract Termination Charges

We have terminated various contractual commitments in connection with certain disposal activities and have recorded charges, to the extent applicable, for the costs of terminating these contracts before the end of their terms and costs that will continue to be incurred for the remaining terms without economic benefit to us. We recorded a pre-tax charge of $0.4 million and made payments for these obligations of $0.8 million in the first six months of fiscal year 2012. The remaining balance of these accruals as of July 1, 2012 was $1.7 million.

Interest and Other Expense, Net

Interest and other expense, net, consisted of the following:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
Interest income	$(150)	$(483)	$(360)	$(805)
Interest expense	11,339	4,213	22,776	8,129
Other expense, net	169	541	1,772	2,703
Total interest and other expense, net	$11,358	$4,271	$24,188	$10,027

Interest and other expense, net, for the three months ended July 1, 2012 was an expense of $11.4 million, as compared to an expense of $4.3 million for the three months ended July 3, 2011, an increase of $7.1 million. The increase in interest and other expense, net, for the three months ended July 1, 2012, as compared to the three months ended July 3, 2011, was primarily due to the increase in total debt and the higher interest rates on those debt balances associated with the issuance of our 5% senior unsecured notes due 2021 (the "2021 Notes") issued during the fourth quarter of fiscal year 2011. Interest income decreased by $0.3 million for the three months ended July 1, 2012, as compared to the three months ended July 3, 2011, primarily due to lower cash balances. Other expense, net, for the three months ended July 1, 2012, as compared to the three months ended July 3, 2011, decreased by $0.4 million, and consisted primarily of expenses related to foreign currency transactions and foreign currency translation. A more complete discussion of our liquidity is set forth below under the heading “Liquidity and Capital Resources.”

Interest and other expense, net, for the six months ended July 1, 2012 was an expense of $24.2 million, as compared to an expense of $10.0 million for the six months ended July 3, 2011, an increase of $14.2 million. The increase in interest and other expense, net, for the six months ended July 1, 2012 as compared to the six months ended July 3, 2011, was primarily due to the increase in total debt and the higher interest rates on those debt balances associated with the issuance of the 2021 Notes. Interest income decreased by $0.4 million for the six months ended July 1, 2012, as compared to the six months ended July 3, 2011, primarily due to lower cash balances. Other expense, net, for the six months ended July 1, 2012 as compared to the six months ended July 3, 2011 decreased by $0.9 million, and consisted primarily of expenses related to foreign currency transactions and foreign currency translation.

Provision for Income Taxes

For the three months ended July 1, 2012, the provision for income taxes from continuing operations was $4.9 million, as compared to $6.0 million for the three months ended July 3, 2011.

For the six months ended July 1, 2012, the provision for income taxes from continuing operations was $6.3 million, as compared to $14.4 million for the six months ended July 3, 2011.

The effective tax rate from continuing operations was 12.6% and 10.2% for the three and six months ended July 1, 2012, respectively, as compared to 17.2% and 20.4% for the three and six months ended July 3, 2011, respectively. The lower effective tax rates in fiscal year 2012, as compared to fiscal year 2011, were primarily due to favorable permanent tax differences, the favorable settlement of income tax audits worldwide during the six months ended July 1, 2012, and an increase in the expected mix of profits from lower tax rate jurisdictions.

Discontinued Operations

As part of our continuing efforts to focus on higher growth opportunities, we have discontinued certain businesses. We have accounted for these businesses as discontinued operations and, accordingly, have presented the results of operations and related cash flows as discontinued operations for all periods presented. The assets and liabilities of

these businesses have been

Table of Contents

presented separately, and are reflected within the assets and liabilities from discontinued operations in the accompanying condensed consolidated balance sheets as of July 1, 2012 and January 1, 2012.

We recorded the following gains and losses, which have been reported as gain (loss) on disposition of discontinued operations:

	Three Months Ended		Six Months Ended	
	July 1, 2012	July 3, 2011	July 1, 2012	July 3, 2011
	(In thousands)			
(Loss) gain on disposition of Illumination and Detection Solutions business	$—	$(111)	$16	$(1,696)
Gain (loss) on disposition of Photoflash business	485	(13)	992	(9)
(Loss) gain on disposition of other discontinued operations	(3)	(33)	9	(36)
Gain (loss) on disposition of discontinued operations before income taxes	$482	$(157)	$1,017	$(1,741)

In November 2010, we sold our Illumination and Detection Solutions business, which was included in the Environmental Health segment, for $510.3 million, including an adjustment for net working capital. During the first six months of fiscal year 2011, we updated the net working capital adjustment associated with the sale of this business and other potential contingencies, which resulted in the recognition of a pre-tax loss of $1.7 million. This loss was recognized as loss on disposition of discontinued operations.

In December 2008, our management approved a plan to divest our Photoflash business within the Environmental Health segment. In June 2010, we sold the Photoflash business for $13.5 million, including an adjustment for net working capital, plus potential additional contingent consideration. During the first six months of fiscal year 2012, we recognized a pre-tax gain of $1.0 million for contingent consideration related to this sale. This gain was recognized as gain on disposition of discontinued operations.

We recorded tax provisions of $0.4 million and $0.5 million on disposition of discontinued operations for the three and six months ended July 1, 2012, respectively. We recorded tax benefits of $0.8 million and $0.02 million on disposition of discontinued operations for the three and six months ended July 3, 2011, respectively.

Contingencies, Including Tax Matters

We are conducting a number of environmental investigations and remedial actions at our current and former locations and, along with other companies, have been named a potentially responsible party (“PRP”) for certain waste disposal sites. We accrue for environmental issues in the accounting period that our responsibility is established and when the cost can be reasonably estimated. We have accrued $5.5 million as of July 1, 2012, which represents our management’s estimate of the total cost of ultimate disposition of known environmental matters. This amount is not discounted and does not reflect the recovery of any amounts through insurance or indemnification arrangements. These cost estimates are subject to a number of variables, including the stage of the environmental investigations, the magnitude of the possible contamination, the nature of the potential remedies, possible joint and several liability, the time period over which remediation may occur, and the possible effects of changing laws and regulations. For sites where we have been named a PRP, our management does not currently anticipate any additional liability to result from the inability of other significant named parties to contribute. We expect that the majority of such accrued amounts could be paid out over a period of up to ten years. As assessment and remediation activities progress at each individual site, these liabilities are reviewed and adjusted to reflect additional information as it becomes available. There have been no environmental problems to date that have had, or are expected to have, a material adverse effect on our condensed consolidated financial statements. While it is possible that a loss exceeding the amounts recorded in the condensed consolidated financial statements may be incurred, the potential exposure is not expected to be materially different from those amounts recorded.

Enzo Biochem, Inc. and Enzo Life Sciences, Inc. (collectively, “Enzo”) filed a complaint dated October 23, 2002 in the United States District Court for the Southern District of New York, Civil Action No. 02-8448, against Amersham plc, Amersham BioSciences, PerkinElmer, Inc., PerkinElmer Life Sciences, Inc., Sigma-Aldrich Corporation, Sigma

Chemical Company, Inc., Molecular Probes, Inc., and Orchid BioSciences, Inc. (the “New York Case”). The complaint alleges that we have breached our distributorship and settlement agreements with Enzo, infringed Enzo’s patents, engaged in unfair competition and fraud, and committed torts against Enzo by, among other things, engaging in commercial development and exploitation of Enzo’s patented products and technology, separately and together with the other defendants. Enzo seeks

Table of Contents

injunctive and monetary relief. In 2003, the court severed the lawsuit and ordered Enzo to serve individual complaints against the five defendants. We subsequently filed an answer and a counterclaim alleging that Enzo's patents are invalid. In July 2006, the court issued a decision regarding the construction of the claims in Enzo's patents that effectively limited the coverage of certain of those claims and, we believe, excludes certain of our products from the coverage of Enzo's patents. Summary judgment motions were filed by the defendants in January 2007, and a hearing with oral argument on those motions took place in July 2007. In January 2009, the case was assigned to a new district court judge and in March 2009, the new judge denied the pending summary judgment motions without prejudice and ordered a stay of the case until the federal appellate court decides Enzo's appeal of the judgment of the United States District Court for the District of Connecticut in Enzo Biochem vs. Applera Corp. and Tropix, Inc. (the "Connecticut Case"), which involves a number of the same patents and which could materially affect the scope of Enzo's case against us. On March 26, 2010, the United States Court of Appeals for the Federal Circuit affirmed-in-part and reversed-in-part the judgment in the Connecticut Case. The New York Case against us and other defendants remains stayed except that the district court has permitted us and the other defendants to jointly file a motion for summary judgment on certain patent and other issues common to all of the defendants.

We believe we have meritorious defenses to the matter described above, and we are contesting the action vigorously. While this matter is subject to uncertainty, in the opinion of our management, based on its review of the information available at this time, the resolution of this matter will not have a material adverse effect on our condensed consolidated financial statements.

Tax years ranging from 2003 through 2011 remain open to examination by various tax jurisdictions in which we have significant business operations, such as China, Finland, Germany, Italy, Netherlands, Singapore, the United Kingdom, and the United States. The tax years under examination vary by jurisdiction. We regularly review our tax positions in each significant taxing jurisdiction in the process of evaluating our unrecognized tax benefits. We make adjustments to our unrecognized tax benefits when: (i) facts and circumstances regarding a tax position change, causing a change in management's judgment regarding that tax position; (ii) a tax position is effectively settled with a tax authority; and/or (iii) the statute of limitations expires regarding a tax position.

We are also subject to various other claims, legal proceedings and investigations covering a wide range of matters that arise in the ordinary course of our business activities. Although we have established accruals for potential losses that we believe are probable and reasonably estimable, in the opinion of our management, based on its review of the information available at this time, the total cost of resolving these other contingencies at July 1, 2012 should not have a material adverse effect on our condensed consolidated financial statements. However, each of these matters is subject to uncertainties, and it is possible that some of these matters may be resolved unfavorably to us.

Reporting Segment Results of Continuing Operations

Human Health

Revenue for the three months ended July 1, 2012 was $258.4 million, as compared to $218.8 million for the three months ended July 3, 2011, an increase of $39.6 million, or 18%, which includes an approximate 4% decrease in revenue attributable to unfavorable changes in foreign exchange rates and an approximate 17% increase from acquisitions. The analysis in the remainder of this paragraph compares selected revenue by market and product type for the three months ended July 1, 2012, as compared to the three months ended July 3, 2011, and includes the effect of foreign exchange fluctuations and acquisitions. The increase in revenue in our Human Health segment reflects an increase in research market revenue of $24.5 million and an increase in diagnostics market revenue of $15.1 million. As a result of adjustments to deferred revenue related to certain acquisitions required by business combination rules, we did not recognize $2.1 million of revenue in our Human Health segment for the three months ended July 1, 2012 and $0.4 million for the three months ended July 3, 2011 that otherwise would have been recorded by the acquired businesses during each of the respective periods. The increase in our Human Health segment revenue during the three months ended July 1, 2012 was due to growth in the diagnostics market as birth rates in the United States begin to stabilize and from continued expansion of our prenatal, newborn and infectious disease screening solutions in key regions outside the United States, particularly in emerging markets such as China. In our medical imaging business, we had continued growth from our traditional diagnostic imaging offerings, as well as increased demand for our

complementary metal-oxide-semiconductor (“CMOS”) imaging technology, which was primarily focused on surgical applications. We also experienced growth in the research market due to continued demand for our in-vivo imaging systems with the addition of Caliper imaging systems. The growth in the research market was partially offset by reduced sales to pharmaceutical companies resulting from reduced research and development spending, as well as a decline in demand for our suite of radiometric detection equipment and reagents, particularly in Europe.

Table of Contents

Revenue for the six months ended July 1, 2012 was $512.4 million, as compared to $420.1 million for the six months ended July 3, 2011, an increase of $92.2 million, or 22%, which includes an approximate 3% decrease in revenue attributable to unfavorable changes in foreign exchange rates and an approximate 18% increase from acquisitions. The analysis in the remainder of this paragraph compares selected revenue by market and product type for the six months ended July 1, 2012, as compared to the six months ended July 3, 2011, and includes the effect of foreign exchange fluctuations and acquisitions. The increase in revenue in our Human Health segment reflects an increase in research market revenue of $60.8 million, and an increase in diagnostics market revenue of $31.4 million. As a result of adjustments to deferred revenue related to certain acquisitions required by business combination rules, we did not recognize $4.5 million of revenue in our Human Health segment for the six months ended July 1, 2012 and $0.6 million for the six months ended July 3, 2011 that otherwise would have been recorded by the acquired businesses during each of the respective periods. The increase in our Human Health segment revenue during the six months ended July 1, 2012 was due primarily to growth in the diagnostics market from the expansion of our prenatal, newborn and infectious disease screening solutions in key regions outside the United States, particularly in emerging markets such as China. In our medical imaging business, we had growth in our traditional diagnostic imaging offerings and continued growth from our therapeutic and non-medical applications, as well as increased demand for our CMOS imaging technology, which was primarily focused on surgical applications. We also experienced growth in the research market due to continued demand for our in-vivo imaging systems with the addition of Caliper imaging systems.

Operating income from continuing operations for the three months ended July 1, 2012 was $31.5 million, as compared to $28.4 million for the three months ended July 3, 2011, an increase of $3.1 million, or 11%. Amortization of intangible assets increased and was $17.2 million for the three months ended July 1, 2012, as compared to $12.3 million for the three months ended July 3, 2011. Restructuring and contract termination charges, net, were $4.4 million for the three months ended July 1, 2012 due primarily to the Q2 2012 Plan, as compared to $1.8 million for the three months ended July 3, 2011 due primarily to the Q2 2011 Plan. Acquisition related costs for integration, contingent consideration and other acquisition costs related to certain acquisitions was an expense of $0.9 million for the three months ended July 1, 2012, as compared to an expense of $1.2 million for the three months ended July 3, 2011. The amortization of purchase accounting adjustments to record the inventory from certain acquisitions completed in fiscal year 2011 was $0.3 million for each of the three months ended July 1, 2012 and July 3, 2011. Increased sales volume, favorable changes in product mix and productivity initiatives increased operating income for the three months ended July 1, 2012, as compared to the three months ended July 3, 2011, which was partially offset by costs related to acquisitions and growth investments in research and development.

Operating income from continuing operations for the six months ended July 1, 2012 was $53.5 million, as compared to $50.0 million for the six months ended July 3, 2011, an increase of $3.5 million, or 7%. Amortization of intangible assets increased and was $34.9 million for the six months ended July 1, 2012, as compared to $24.9 million for the six months ended July 3, 2011. Restructuring and contract termination charges, net, were $9.4 million for the six months ended July 1, 2012 due primarily to the Q1 2012 and Q2 2012 Plans, as compared to $1.8 million for the six months ended July 3, 2011 due primarily to the Q2 2011 Plan. Acquisition related costs for integration, contingent consideration and other acquisition costs related to certain acquisitions was an expense of $1.5 million for the six months ended July 1, 2012, as compared to an expense of $3.7 million for the six months ended July 3, 2011. The amortization of purchase accounting adjustments to record the inventory from certain acquisitions completed in fiscal year 2011 was $4.8 million for the six months ended July 1, 2012, as compared to $0.4 million for the six months ended July 3, 2011. Increased sales volume, favorable changes in product mix and productivity initiatives increased operating income for the six months ended July 1, 2012, as compared to the six months ended July 3, 2011, which was partially offset by costs related to acquisitions and growth investments in research and development.

Environmental Health

Revenue for the three months ended July 1, 2012 was $263.4 million, as compared to $260.2 million for the three months ended July 3, 2011, an increase of $3.1 million, or 1%, which includes an approximate 4% decrease in revenue attributable to unfavorable changes in foreign exchange rates and no net impact from acquisitions. The analysis in the remainder of this paragraph compares selected revenue by market and product type for the three

months ended July 1, 2012, as compared to the three months ended July 3, 2011, and includes the effect of foreign exchange fluctuations and acquisitions. The increase in revenue in our Environmental Health segment reflects an increase in laboratory services market revenue of $6.3 million partially offset by decreases in environmental and safety and industrial markets revenue of $3.2 million. As a result of adjustments to deferred revenue related to certain acquisitions required by business combination rules, we did not recognize $8.4 million for the three months ended July 1, 2012 and $5.8 million for the three months ended July 3, 2011, primarily related to our informatics offerings, that otherwise would have been recorded by the acquired businesses during that period. The increase in our Environmental Health segment revenue during the three months ended July 1, 2012 was due primarily to growth in our informatics offerings within the laboratory services market, as well as growth in our environmental, food and consumer safety and testing products. These increases were partially offset by decreased demand for our applications in the industrial markets.

Table of Contents

Revenue for the six months ended July 1, 2012 was $520.3 million, as compared to $506.1 million for the six months ended July 3, 2011, an increase of $14.2 million, or 3%, which includes an approximate 3% decrease in revenue attributable to unfavorable changes in foreign exchange rates and an approximate 1% increase from acquisitions. The analysis in the remainder of this paragraph compares selected revenue by market and product type for the six months ended July 1, 2012, as compared to the six months ended July 3, 2011, and includes the effect of foreign exchange fluctuations and acquisitions. The increase in revenue in our Environmental Health segment reflects an increase in laboratory services market revenue of $15.6 million, partially offset by decreases in environmental and safety and industrial markets revenue of $1.4 million. As a result of adjustments to deferred revenue related to certain acquisitions required by business combination rules, we did not recognize $12.5 million for the six months ended July 1, 2012 and $5.8 million for the six months ended July 3, 2011, primarily related to our informatics offerings, that otherwise would have been recorded by the acquired businesses during that period. The increase in our Environmental Health segment revenue during the six months ended July 1, 2012 was due primarily to growth in our informatics offerings within the laboratory services market, as well as growth in our environmental, food and consumer safety and testing products. These increases were partially offset by decreased demand for our applications in the industrial markets.

Operating income from continuing operations for the three months ended July 1, 2012 was $28.2 million, as compared to $21.7 million for the three months ended July 3, 2011, an increase of $6.4 million, or 29%. Amortization of intangible assets decreased and was $6.1 million for the three months ended July 1, 2012, as compared to $7.0 million for the three months ended July 3, 2011. Restructuring and contract termination charges, net, were $0.8 million for the three months ended July 1, 2012 as a result of the Q2 2012 Plan, as compared to $1.5 million for the three months ended July 3, 2011 due primarily to the Q2 2011 Plan. Acquisition related costs for contingent consideration and other acquisition costs related to certain acquisitions was income of $0.2 million for the three months ended July 1, 2012, as compared to an expense of $0.6 million for the three months ended July 3, 2011. Increased sales volume, changes in product mix with growth in sales of higher gross margin product offerings and productivity initiatives increased operating income for the three months ended July 1, 2012, as compared to the three months ended July 3, 2011, which was partially offset by incremental costs primarily related to our informatics acquisitions and increased sales and marketing expenses, particularly in emerging territories.

Operating income from continuing operations for the six months ended July 1, 2012 was $54.6 million, as compared to $52.0 million for the six months ended July 3, 2011, an increase of $2.6 million, or 5%. Amortization of intangible assets increased and was $11.9 million for the six months ended July 1, 2012, as compared to $10.8 million for the six months ended July 3, 2011. Restructuring and contract termination charges, net, were $2.0 million for the six months ended July 1, 2012 as a result of the Q1 2012 and Q2 2012 Plans, as compared to $1.5 million for the six months ended July 3, 2011 due primarily to the Q2 2011 Plan. Acquisition related costs for contingent consideration and other acquisition costs related to certain acquisitions was an expense of $1.2 million for the six months ended July 3, 2011. Increased sales volume, changes in product mix with growth in sales of higher gross margin product offerings and productivity initiatives increased operating income for the six months ended July 1, 2012, as compared to the six months ended July 3, 2011, which was partially offset by incremental costs primarily related to our informatics acquisitions and increased sales and marketing expenses, particularly in emerging territories.

Liquidity and Capital Resources

We require cash to pay our operating expenses, make capital expenditures, make strategic acquisitions, service our debt and other long-term liabilities, repurchase shares of our common stock and pay dividends on our common stock. Our principal sources of funds are from our operations and the capital markets, particularly the debt markets. We anticipate that our internal operations will generate sufficient cash to fund our operating expenses, capital expenditures, smaller acquisitions, interest payments on our debt and dividends on our common stock. However, we expect to use external sources to satisfy the balance of our debt when due, any larger acquisitions and other long-term liabilities.

Principal factors that could affect the availability of our internally generated funds include:

- changes in sales due to weakness in markets in which we sell our products and services, and

- changes in our working capital requirements.

Principal factors that could affect our ability to obtain cash from external sources include:

- financial covenants contained in the financial instruments controlling our borrowings that limit our total borrowing capacity,
- increases in interest rates applicable to our outstanding variable rate debt,
- a ratings downgrade that would limit our ability to borrow under our senior unsecured revolving credit facility and our overall access to the corporate debt market,

Table of Contents

- increases in interest rates or credit spreads, as well as limitations on the availability of credit, that affect our ability to borrow under future potential facilities on a secured or unsecured basis,
- a decrease in the market price for our common stock, and
- volatility in the public debt and equity markets.

At July 1, 2012, we had cash and cash equivalents of $171.4 million and a senior unsecured revolving credit facility with $424.0 million available for additional borrowing under the facility.

Most of our cash is denominated in foreign currencies. We utilize a variety of tax planning and financing strategies to ensure that our worldwide cash is available in the locations in which it is needed. As a result of the Caliper acquisition, we concluded that certain foreign operations did not require the same level of capital as previously expected, and therefore we plan to repatriate approximately $350.0 million of previously unremitted earnings and have provided for the estimated taxes on the repatriation of those earnings. As a result of the planned repatriation, we recorded an increase to our tax provision of $79.7 million in continuing operations during the fourth quarter of fiscal year 2011. We expect to utilize tax attributes, primarily those acquired in the Caliper acquisition, to minimize the cash taxes paid on the repatriation. As of July 1, 2012, we had completed the repatriation of $229.2 million of the $350.0 million of these previously unremitted earnings. With the exception of this planned repatriation, which is expected to be completed by the end of fiscal year 2013 and is related to the acquisition of Caliper, we expect accumulated non-U.S. cash balances will remain outside of the U.S. and that we will meet U.S. liquidity needs through future cash flows, use of U.S. cash balances, external borrowings, or some combination of these sources.

On October 23, 2008, we announced that our Board of Directors (our “Board”) authorized us to repurchase up to 10.0 million shares of common stock under a stock repurchase program (the “Repurchase Program”). On August 31, 2010, we announced that our Board had authorized us to repurchase an additional 5.0 million shares of common stock under the Repurchase Program. The Repurchase Program will expire on October 22, 2012 unless terminated earlier by our Board, and may be suspended or discontinued at any time. During the first six months of fiscal year 2012, we did not repurchase any shares of common stock in the open market under the Repurchase Program. As of July 1, 2012, 6.0 million shares of our common stock remained available for repurchase from the 15.0 million shares authorized by our Board under the Repurchase Program.

Our Board has authorized us to repurchase shares of common stock to satisfy minimum statutory tax withholding obligations in connection with the vesting of restricted stock awards and restricted stock unit awards granted pursuant to our equity incentive plans. During the first six months of fiscal year 2012, we repurchased 80,690 shares of common stock for this purpose at an aggregate cost of $2.1 million.

The repurchased shares have been reflected as a reduction in shares outstanding, but remain available to be reissued with the payments reflected in common stock and capital in excess of par value. Any repurchased shares will be available for use in connection with corporate programs. If we continue to repurchase shares, the Repurchase Program will be funded using our existing financial resources, including cash and cash equivalents, and our existing senior unsecured revolving credit facility.

Distressed global financial markets could adversely impact general economic conditions by reducing liquidity and credit availability, creating increased volatility in security prices, widening credit spreads and decreasing valuations of certain investments. The widening of credit spreads may create a less favorable environment for certain of our businesses and may affect the fair value of financial instruments that we issue or hold. Increases in credit spreads, as well as limitations on the availability of credit at rates we consider to be reasonable, could affect our ability to borrow under future potential facilities on a secured or unsecured basis, which may adversely affect our liquidity and results of operations. In difficult global financial markets, we may be forced to fund our operations at a higher cost, or we may be unable to raise as much funding as we need to support our business activities.

Our pension plans have not experienced a material impact on liquidity or counterparty exposure due to the volatility in the credit markets. During the first six months of fiscal year 2012, we made a contribution of $17.0 million for the 2011 plan year to our defined benefit pension plan in the United States. During the first six months of fiscal year 2012, we made contributions of $5.5 million in the aggregate to our defined benefit pension plans outside of the United States, and we may be required to fund those pension plans with contributions of up to $11.1 million by the end of fiscal year 2012. We could potentially have to make additional funding payments in future periods for all pension

plans. We expect to use existing cash and external sources to satisfy future contributions to our pension plans.

Table of Contents

Cash Flows

Operating Activities. Net cash provided by continuing operations was $92.7 million for the six months ended July 1, 2012, as compared to net cash provided by continuing operations of $102.2 million for the six months ended July 3, 2011, a decrease of $9.5 million. The cash provided by operating activities for the six months ended July 1, 2012 was principally a result of net income from continuing operations of $55.6 million, depreciation and amortization of $64.2 million, stock-based compensation expense of $10.3 million and restructuring and contract termination charges, net, of $11.4 million. These amounts were partially offset by a net increase in working capital of $2.5 million. Contributing to the net increase in working capital for the six months ended July 1, 2012, excluding the effect of foreign exchange rate fluctuations, was a decrease in accounts receivable of $13.5 million and an increase in accounts payable of $1.6 million, partially offset by an increase in inventory of $12.7 million. The decrease in accounts receivable was a result of strong performance in accounts receivable collections during the first six months of fiscal year 2012. The increase in accounts payable was primarily a result of the timing of disbursements during the first six months of fiscal year 2012. The increase in inventory overall was primarily a result of expanding the amount of inventory held at sales locations within our Environmental Health and Human Health segments to improve responsiveness to customer requirements and for the introduction of new products. Changes in accrued expenses, other assets and liabilities and other items, net, decreased cash provided by operating activities by $51.2 million for the six months ended July 1, 2012, and primarily related to the timing of payments for tax, restructuring, and salary and benefits.

Investing Activities. Net cash used in the investing activities of our continuing operations was $11.2 million for the six months ended July 1, 2012, as compared to net cash used in the investing activities of our continuing operations of $325.9 million for the six months ended July 3, 2011, a decrease of $314.7 million. For the six months ended July 1, 2012, we did not use any cash for acquisitions, core technology purchases, acquired licenses and other costs in connection with these and other transactions. Capital expenditures for the six months ended July 1, 2012 were $11.4 million, primarily in the areas of tooling and other capital equipment purchases. Restricted cash balances decreased for the six months ended July 1, 2012 by $0.2 million, as compared to a decrease in restricted cash balances of $0.4 million for the six months ended July 3, 2011.

Financing Activities. Net cash used in the financing activities of our continuing operations was $48.8 million for the six months ended July 1, 2012, as compared to net cash provided by financing activities of our continuing operations of $150.7 million for the six months ended July 3, 2011, an increase of $199.5 million. For the six months ended July 1, 2012, we repurchased 80,690 shares of our common stock to satisfy minimum statutory tax withholding obligations in connection with the vesting of restricted stock awards, for a total cost of $2.1 million, including commissions. This compares to repurchases of 4.0 million shares of our common stock, including 83,878 shares of our common stock to satisfy minimum statutory tax withholding obligations in connection with the vesting of restricted stock awards for the six months ended July 3, 2011, for a total cost of $110.0 million, including commissions. This use of cash was partially offset by proceeds from common stock option exercises of $12.9 million, including $1.1 million for the related excess tax benefit, for the six months ended July 1, 2012. This compares to the proceeds from common stock option exercises of $32.1 million, including $8.6 million for the related excess tax benefit, for the six months ended July 3, 2011. During the six months ended July 1, 2012, debt borrowings from our senior unsecured revolving credit facility totaled $210.0 million, which was offset by debt reductions of $244.0 million. This compares to debt borrowings from our senior unsecured revolving credit facility of $494.0 million, which was partially offset by debt reductions of $247.0 million during the six months ended July 3, 2011. We paid $15.9 million and $16.0 million in dividends during the six months ended July 1, 2012 and July 3, 2011, respectively. In addition, we settled $9.3 million in contingent consideration recorded at the acquisition date fair value during the six months ended July 1, 2012, as compared to $0.1 million in contingent consideration recorded at the acquisition date fair value during the six months ended July 3, 2011.

Borrowing Arrangements

Senior Unsecured Revolving Credit Facility. On December 16, 2011, we entered into an amended and restated senior unsecured revolving credit facility. The agreement for the facility provides for $700.0 million of revolving loans and has an initial maturity of December 16, 2016. As of July 1, 2012, undrawn letters of credit in the aggregate amount of

$12.0 million were treated as issued and outstanding under the senior unsecured revolving credit facility. We use the senior unsecured revolving credit facility for general corporate purposes, which may include working capital, refinancing existing indebtedness, capital expenditures, share repurchases, acquisitions and strategic alliances. The interest rates under the senior unsecured revolving credit facility are based on the Eurocurrency rate at the time of borrowing plus a margin, or the base rate from time to time. The base rate is the higher of (i) the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its "prime rate," (ii) the Federal Funds rate plus 50 basis points or (iii) one-month Libor plus 1.00%. The Eurocurrency margin as of July 1, 2012 was 130 basis points. The weighted average Eurocurrency interest rate as of July 1, 2012 was 0.24%, resulting in a weighted average effective Eurocurrency rate, including the margin, of 1.54%. We had $264.0 million of borrowings in U.S. Dollars outstanding under the senior unsecured revolving credit facility as of July 1, 2012, with interest based on the above described Eurocurrency rate. The credit agreement for the facility contains affirmative, negative and

Table of Contents

financial covenants and events of default customary for financings of this type and those contained in our previous senior revolving credit agreement. The financial covenants in our amended and restated senior unsecured revolving credit facility includes a debt-to-capital ratio, and two contingent covenants, a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio, applicable only if our credit rating is downgraded below investment grade. We were in compliance with all applicable covenants as of July 1, 2012.

6% Senior Unsecured Notes due 2015. On May 30, 2008, we issued $150.0 million aggregate principal amount of 2015 Notes in a private placement and received $150.0 million of proceeds from the issuance. The 2015 Notes mature in May 2015 and bear interest at an annual rate of 6%. Interest on the 2015 Notes is payable semi-annually on May 30th and November 30th each year. We may redeem some or all of the 2015 Notes at any time, at our option, at a make-whole redemption price plus accrued and unpaid interest. The indenture governing the 2015 Notes includes financial covenants of debt-to-capital ratios and a contingent multiple of total debt to earnings ratio, applicable only if our credit rating is downgraded below investment grade. We were in compliance with all applicable covenants as of July 1, 2012.

5% Senior Unsecured Notes due 2021. On October 25, 2011, we issued $500.0 million aggregate principal amount of 2021 Notes in a registered public offering and received approximately $496.9 million of net proceeds from the issuance. The 2021 Notes were issued at 99.372% of the principal amount, which resulted in a discount of $3.1 million. The 2021 Notes mature in November 2021 and bear interest at an annual rate of 5%. Interest on the 2021 Notes is payable semi-annually on May 15th and November 15th each year. Prior to August 15, 2021 (three months prior to their maturity date), we may redeem the 2021 Notes in whole or in part, at our option, at a redemption price equal to the greater of (i) 100% of the principal amount of the 2021 Notes to be redeemed, plus accrued and unpaid interest, or (ii) the sum of the present values of the remaining scheduled payments of principal and interest in respect to the 2021 Notes being redeemed, discounted on a semi-annual basis, at the Treasury Rate plus 45 basis points, plus accrued and unpaid interest. At any time on or after August 15, 2021 (three months prior to their maturity date), we may redeem the 2021 Notes, at our option, at a redemption price equal to 100% of the principal amount of the 2021 Notes to be redeemed plus accrued and unpaid interest. Upon a change of control (as defined in the indenture governing the 2021 Notes) and a contemporaneous downgrade of the 2021 Notes below investment grade, each holder of 2021 Notes will have the right to require us to repurchase such holder's 2021 Notes for 101% of their principal amount, plus accrued and unpaid interest. We were in compliance with all applicable covenants as of July 1, 2012.

Dividends

Our Board declared a regular quarterly cash dividend of $0.07 per share in each of the first two quarters of fiscal year 2012 and in each quarter of fiscal year 2011. At July 1, 2012, we have accrued $8.0 million for dividends declared prior to quarter end. On July 27, 2012, we announced that our Board had declared a quarterly dividend of $0.07 per share for the second quarter of fiscal year 2012 that will be payable in November 2012. In the future, our Board may determine to reduce or eliminate our common stock dividend in order to fund investments for growth, repurchase shares or conserve capital resources.

Effects of Recently Adopted Accounting Pronouncements

During the first quarter of fiscal year 2012 we adopted new guidance applicable to certain of our health care businesses that recognize patient service revenue at the time the services are rendered where we do not assess the patient's ability to pay at the time of the sale. The new guidance requires us to present the provision for bad debts related to such revenue as a deduction from revenue (net of contractual allowances and discounts) on the statements of operations. The effects of the adoption on our condensed consolidated statements of operations resulted in a decrease to revenue and a decrease to selling, general and administrative expenses of $0.7 million and $1.4 million for the three and six months ended July 1, 2012, respectively, and a decrease to revenue and a decrease to selling, general and administrative expenses of $0.4 million and $1.1 million for the three and six months ended July 3, 2011, respectively. Accordingly, the financial data for all periods presented has been retrospectively adjusted to reflect the effect of these accounting changes.

Effects of Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board and are adopted by us as of the specified effective dates. Unless otherwise discussed, we believe that such recently issued pronouncements will not have a significant impact on our condensed consolidated financial position, results of operations and cash flows or do not apply to our operations.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk. We are exposed to market risk, including changes in interest rates and currency exchange rates. To manage the volatility relating to these exposures, we enter into various derivative transactions pursuant to our policies to hedge against known or forecasted market exposures. We briefly describe several of the market risks we face below. The following disclosure is not materially different from the disclosure provided under the heading, Item 7A. "Quantitative and Qualitative Disclosure About Market Risk," in our 2011 Form 10-K.

Foreign Exchange Risk. The potential change in foreign currency exchange rates offers a substantial risk to us, as approximately 60% of our business is conducted outside of the United States, generally in foreign currencies. Our risk management strategy currently uses forward contracts to mitigate certain balance sheet foreign currency transaction exposures. The intent is to offset gains and losses that occur on the underlying exposures from these currencies, with gains and losses resulting from the forward contracts that hedge these exposures. Moreover, we are able to partially mitigate the impact that fluctuations in currencies have on our net income as a result of our manufacturing facilities located in countries outside the United States, material sourcing and other spending which occur in countries outside the United States, resulting in natural hedges.

Principal hedged currencies include the British Pound, Canadian Dollar, Euro, Japanese Yen and Singapore Dollar. We held forward foreign exchange contracts with U.S. equivalent notional amounts totaling $61.7 million and $108.4 million as of July 1, 2012 and July 3, 2011, respectively. The fair value of these foreign currency derivative contracts was insignificant. The gains and losses realized on foreign currency derivative contracts are not material and the duration of these contracts was generally 30 days during both fiscal years 2012 and 2011. Also, during the three and six months ended July 1, 2012 we entered into two forward foreign exchange contracts with the same institution and having the same settlement date in October 2012, with Euro denominated notional amounts of Euro 125.0 million. The fair value of these currency derivative contracts at July 1, 2012 was a net receivable of $4.1 million.

We do not enter into foreign currency derivative contracts for trading or other speculative purposes, nor do we use leveraged financial instruments. Although we attempt to manage our foreign currency exchange risk through the above activities, when the U.S. dollar weakens against other currencies in which we transact business, generally sales and net income will be positively, but not proportionately, impacted.

Foreign Currency Risk—Value-at-Risk Disclosure. We continue to measure foreign currency risk using the Value-at-Risk model described in Item 7A. "Quantitative and Qualitative Disclosure About Market Risk," in our 2011 Form 10-K. The measures for our Value-at-Risk analysis have not changed materially.

Interest Rate Risk. As described above, our debt portfolio includes variable rate instruments. Fluctuations in interest rates can therefore have a direct impact on both our short-term cash flows, as they relate to interest, and our earnings. To manage the volatility relating to these exposures, we periodically enter into various derivative transactions pursuant to our policies to hedge against known or forecasted interest rate exposures.

In May 2008, we settled forward interest rate contracts with notional amounts totaling $150.0 million upon the issuance of our 2015 Notes, and recognized $8.4 million, net of taxes of $5.4 million, of accumulated derivative losses in other comprehensive (loss) income. The derivative losses are being amortized into interest expense when the hedged exposure affects interest expense. As of July 1, 2012, the balance remaining in accumulated other comprehensive income related to the effective cash flow hedges was $3.5 million, net of taxes of $2.3 million. We amortized into interest expense $1.0 million during the first six months of fiscal year 2012 and $2.0 million during fiscal year 2011.

Interest Rate Risk—Sensitivity. Our 2011 Form 10-K presents sensitivity measures for our interest rate risk. The measures for our sensitivity analysis have not changed materially. More information is available in Item 7A. "Quantitative and Qualitative Disclosure About Market Risk," in our 2011 Form 10-K for our sensitivity disclosure.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of our fiscal quarter ended July 1, 2012. The term "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure

that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated

Table of Contents

and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of the end of our fiscal quarter ended July 1, 2012, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended July 1, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Enzo Biochem, Inc. and Enzo Life Sciences, Inc. (collectively, "Enzo") filed a complaint dated October 23, 2002 in the United States District Court for the Southern District of New York, Civil Action No. 02-8448, against Amersham plc, Amersham BioSciences, PerkinElmer, Inc., PerkinElmer Life Sciences, Inc., Sigma-Aldrich Corporation, Sigma Chemical Company, Inc., Molecular Probes, Inc., and Orchid BioSciences, Inc. (the "New York Case"). The complaint alleges that we have breached our distributorship and settlement agreements with Enzo, infringed Enzo's patents, engaged in unfair competition and fraud, and committed torts against Enzo by, among other things, engaging in commercial development and exploitation of Enzo's patented products and technology, separately and together with the other defendants. Enzo seeks injunctive and monetary relief. In 2003, the court severed the lawsuit and ordered Enzo to serve individual complaints against the five defendants. We subsequently filed an answer and a counterclaim alleging that Enzo's patents are invalid. In July 2006, the court issued a decision regarding the construction of the claims in Enzo's patents that effectively limited the coverage of certain of those claims and, we believe, excludes certain of our products from the coverage of Enzo's patents. Summary judgment motions were filed by the defendants in January 2007, and a hearing with oral argument on those motions took place in July 2007. In January 2009, the case was assigned to a new district court judge and in March 2009, the new judge denied the pending summary judgment motions without prejudice and ordered a stay of the case until the federal appellate court decides Enzo's appeal of the judgment of the United States District Court for the District of Connecticut in Enzo Biochem vs. Applera Corp. and Tropix, Inc. (the "Connecticut Case"), which involves a number of the same patents and which could materially affect the scope of Enzo's case against us. On March 26, 2010, the United States Court of Appeals for the Federal Circuit affirmed-in-part and reversed-in-part the judgment in the Connecticut Case. The New York Case against us and other defendants remains stayed except that the district court has permitted us and the other defendants to jointly file a motion for summary judgment on certain patent and other issues common to all of the defendants.

We believe we have meritorious defenses to the matter described above, and we are contesting the action vigorously. While this matter is subject to uncertainty, in the opinion of our management, based on its review of the information available at this time, the resolution of this matter will not have a material adverse effect on our condensed consolidated financial statements.

We are also subject to various other claims, legal proceedings and investigations covering a wide range of matters that arise in the ordinary course of our business activities. Although we have established accruals for potential losses that we believe are probable and reasonably estimable, in the opinion of our management, based on its review of the information available at this time, the total cost of resolving these other contingencies at July 1, 2012 should not have a material adverse effect on our condensed consolidated financial statements. However, each of these matters is subject to uncertainties, and it is possible that some of these matters may be resolved unfavorably to us.

Item 1A. Risk Factors

The following important factors affect our business and operations generally or affect multiple segments of our business and operations:

If the markets into which we sell our products decline or do not grow as anticipated due to a decline in general economic conditions, or there are uncertainties surrounding the approval of government or industrial funding proposals, or there are unfavorable changes in government regulations, we may see an adverse effect on the results of our business operations.

Our customers include pharmaceutical and biotechnology companies, laboratories, academic and research institutions, public health authorities, private healthcare organizations, doctors and government agencies. Our quarterly revenue and results of operations are highly dependent on the volume and timing of orders received during the quarter. In addition, our revenues and earnings forecasts for future quarters are often based on the expected trends in our markets. However, the markets we serve do not always experience the trends that we may expect. Negative fluctuations in our customers' markets, the inability of our customers to secure credit or funding, restrictions in capital expenditures, general economic conditions, cuts in government funding or unfavorable changes in government regulations would

likely result in a reduction in demand for our products and services. In addition, government funding is subject to economic conditions and the political process, which is inherently fluid and unpredictable. Our revenues may be adversely affected if our customers delay or reduce purchases as a result of uncertainties surrounding the approval of government or industrial funding proposals. Such declines could harm our consolidated financial position, results of operations, cash flows and trading price of our common stock, and could limit our ability to sustain profitability.

Table of Contents

Our growth is subject to global economic, political and other risks.

We have operations in many parts of the world. The global economy has a significant impact on our business. The global economy experienced a significant downturn throughout 2008 and 2009. This downturn was caused in part by the effects of the credit market crisis and the resulting impact on the finance and banking industries, volatile currency exchange rates and energy costs, inflation concerns, decreased consumer confidence, reduced corporate profits and capital expenditures, and liquidity concerns. Although the global economy began showing signs of gradual improvement in 2010, debt and equity markets experienced renewed disruption beginning early in the third quarter of 2011, including the downgrading of government issued debt in the United States and other countries, and the prospects of an economic recovery remain uncertain. There can be no assurance that any of the recent economic improvements will be sustainable, or that we will not experience any adverse effects that may be material to our consolidated cash flows, results of operations, financial position or our ability to access capital. Our business is also affected by local economic environments, including inflation, recession, financial liquidity and currency volatility or devaluation. Political changes, some of which may be disruptive, could interfere with our supply chain, our customers and all of our activities in a particular location.

While we take precautions to prevent production or service interruptions at our global facilities, a major earthquake, fire, flood, power loss or other catastrophic event that results in the destruction or delay of any of our critical business operations could have a material adverse affect on our operating results or cause significant reputational damage. Certain of these risks can be hedged to a limited degree using financial instruments, or other measures, and some of these risks are insurable, but any such mitigation efforts are costly and may not always be fully successful. Our ability to engage in such mitigation efforts has decreased or become even more costly as a result of recent market developments.

If we do not introduce new products in a timely manner, we may lose market share and be unable to achieve revenue growth targets.

We sell many of our products in industries characterized by rapid technological change, frequent new product and service introductions, and evolving customer needs and industry standards. Many of the businesses competing with us in these industries have significant financial and other resources to invest in new technologies, substantial intellectual property portfolios, substantial experience in new product development, regulatory expertise, manufacturing capabilities, and established distribution channels to deliver products to customers. Our products could become technologically obsolete over time, or we may invest in technology that does not lead to revenue growth or continue to sell products for which the demand from our customers is declining, in which case we may lose market share or not achieve our revenue growth targets. The success of our new product offerings will depend upon several factors, including our ability to:

- accurately anticipate customer needs,
- innovate and develop new technologies and applications,
- successfully commercialize new technologies in a timely manner,
- price our products competitively, and manufacture and deliver our products in sufficient volumes and on time, and
- differentiate our offerings from our competitors' offerings.

Many of our products are used by our customers to develop, test and manufacture their products. We must anticipate industry trends and consistently develop new products to meet our customers' expectations. In developing new products, we may be required to make significant investments before we can determine the commercial viability of the new product. If we fail to accurately foresee our customers' needs and future activities, we may invest heavily in research and development of products that do not lead to significant revenue. We may also suffer a loss in market share and potential revenue if we are unable to commercialize our technology in a timely and efficient manner.

In addition, some of our licensed technology is subject to contractual restrictions, which may limit our ability to develop or commercialize products for some applications.

Table of Contents

We may not be able to successfully execute acquisitions or license technologies, integrate acquired businesses or licensed technologies into our existing businesses, make acquired businesses or licensed technologies profitable, or successfully divest businesses.

We have in the past supplemented, and may in the future supplement, our internal growth by acquiring businesses and licensing technologies that complement or augment our existing product lines, such as our acquisition of Caliper in the fourth quarter of fiscal year 2011. However, we may be unable to identify or complete promising acquisitions or license transactions for many reasons, such as:

- competition among buyers and licensees,
- the high valuations of businesses and technologies,
- the need for regulatory and other approval, and
- our inability to raise capital to fund these acquisitions.

Some of the businesses we acquire may be unprofitable or marginally profitable, or may increase the variability of our revenue recognition. Accordingly, the earnings or losses of acquired businesses may dilute our earnings. For these acquired businesses to achieve acceptable levels of profitability, we would have to improve their management, operations, products and market penetration. We may not be successful in this regard and may encounter other difficulties in integrating acquired businesses into our existing operations, such as incompatible management, information or other systems, cultural differences, loss of key personnel, unforeseen regulatory requirements, previously undisclosed liabilities or difficulties in predicting financial results. Additionally, if we are not successful in selling businesses we seek to divest, the activity of such businesses may dilute our earnings and we may not be able to achieve the expected benefits of such divestitures. As a result, our financial results may differ from our forecasts or the expectations of the investment community in a given quarter or over the long term.

To finance our acquisitions, we may have to raise additional funds, either through public or private financings. We may be unable to obtain such funds or may be able to do so only on terms unacceptable to us. We may also incur expenses related to completing acquisitions or licensing technologies, or in evaluating potential acquisitions or technologies, which may adversely impact our profitability.

We may not be successful in adequately protecting our intellectual property.

Patent and trade secret protection is important to us because developing new products, processes and technologies gives us a competitive advantage, although it is time-consuming and expensive. We own many United States and foreign patents and intend to apply for additional patents. Patent applications we file, however, may not result in issued patents or, if they do, the claims allowed in the patents may be narrower than what is needed to protect fully our products, processes and technologies. Similarly, applications to register our trademarks may not be granted in all countries in which they are filed. For our intellectual property that is protected by keeping it secret, such as trade secrets and know-how, we may not use adequate measures to protect this intellectual property.

Third parties may also challenge the validity of our issued patents, may circumvent or “design around” our patents and patent applications, or may claim that our products, processes or technologies infringe their patents. In addition, third parties may assert that our product names infringe their trademarks. We may incur significant expense in legal proceedings to protect our intellectual property against infringement by third parties or to defend against claims of infringement by third parties. Claims by third parties in pending or future lawsuits could result in awards of substantial damages against us or court orders that could effectively prevent us from manufacturing, using, importing or selling our products in the United States or other countries.

If we are unable to renew our licenses or otherwise lose our licensed rights, we may have to stop selling products or we may lose competitive advantage.

We may not be able to renew our existing licenses, or licenses we may obtain in the future, on terms acceptable to us, or at all. If we lose the rights to a patented or other proprietary technology, we may need to stop selling products incorporating that technology and possibly other products, redesign our products or lose a competitive advantage. Potential competitors could in-license technologies that we fail to license and potentially erode our market share.

Our licenses typically subject us to various economic and commercialization obligations. If we fail to comply with these obligations, we could lose important rights under a license, such as the right to exclusivity in a market. In some cases, we could lose all rights under the license. In addition, rights granted under the license could be lost for reasons

out of our control. For example, the licensor could lose patent protection for a number of reasons, including invalidity of the licensed patent, or a third-party could obtain a patent that curtails our freedom to operate under one or more licenses.

Table of Contents

If we do not compete effectively, our business will be harmed.

We encounter aggressive competition from numerous competitors in many areas of our business. We may not be able to compete effectively with all of these competitors. To remain competitive, we must develop new products and periodically enhance our existing products. We anticipate that we may also have to adjust the prices of many of our products to stay competitive. In addition, new competitors, technologies or market trends may emerge to threaten or reduce the value of entire product lines.

Our quarterly operating results could be subject to significant fluctuation, and we may not be able to adjust our operations to effectively address changes we do not anticipate, which could increase the volatility of our stock price and potentially cause losses to our shareholders.

Given the nature of the markets in which we participate, we cannot reliably predict future revenue and profitability. Changes in competitive, market and economic conditions may require us to adjust our operations, and we may not be able to make those adjustments or make them quickly enough to adapt to changing conditions. A high proportion of our costs are fixed, due in part to our research and development and manufacturing costs. As a result, small declines in sales could disproportionately affect our operating results in a quarter. Factors that may affect our quarterly operating results include:

- demand for and market acceptance of our products,
- competitive pressures resulting in lower selling prices,
- changes in the level of economic activity in regions in which we do business,
- changes in general economic conditions or government funding,
- settlements of income tax audits,
- differing tax laws and changes in those laws, or changes in the countries in which we are subject to taxation,
- changes in our effective tax rate,
- changes in industries, such as pharmaceutical and biomedical,
- changes in the portions of our revenue represented by our various products and customers,
- our ability to introduce new products,
- our competitors' announcement or introduction of new products, services or technological innovations,
- costs of raw materials, energy or supplies,
- our ability to execute ongoing productivity initiatives,
- changes in the volume or timing of product orders,
- fluctuation in the expense related to mark-to-market and curtailments on postretirement benefit plans, and
- changes in assumptions used to determine contingent consideration in acquisitions.

A significant disruption in third-party package delivery and import/export services, or significant increases in prices for those services, could interfere with our ability to ship products, increase our costs and lower our profitability.

We ship a significant portion of our products to our customers through independent package delivery and import/export companies, including UPS and Federal Express in the United States; TNT, UPS and DHL in Europe; and UPS in Asia. We also ship our products through other carriers, including national trucking firms, overnight carrier services and the United States Postal Service. If one or more of the package delivery or import/export providers experiences a significant disruption in services or institutes a significant price increase, we may have to seek alternative providers and the delivery of our products could be prevented or delayed. Such events could cause us to incur increased shipping costs that could not be passed on to our customers, negatively impacting our profitability and our relationships with certain of our customers.

Table of Contents

Disruptions in the supply of raw materials, certain key components and other goods from our limited or single source suppliers could have an adverse effect on the results of our business operations, and could damage our relationships with customers.

The production of our products requires a wide variety of raw materials, key components and other goods that are generally available from alternate sources of supply. However, certain critical raw materials, key components and other goods required for the production and sale of some of our principal products are available from limited or single sources of supply. We generally have multi-year contracts with no minimum purchase requirements with these suppliers, but those contracts may not fully protect us from a failure by certain suppliers to supply critical materials or from the delays inherent in being required to change suppliers and, in some cases, validate new raw materials. Such raw materials, key components and other goods can usually be obtained from alternative sources with the potential for an increase in price, decline in quality or delay in delivery. A prolonged inability to obtain certain raw materials, key components or other goods is possible and could have an adverse effect on our business operations, and could damage our relationships with customers.

The manufacture and sale of products and services may expose us to product liability claims for which we could have substantial liability.

We face an inherent business risk of exposure to product liability claims if our products, services or product candidates are alleged or found to have caused injury, damage or loss. We may in the future be unable to obtain insurance with adequate levels of coverage for potential liability on acceptable terms or claims of this nature may be excluded from coverage under the terms of any insurance policy that we can obtain. If we are unable to obtain such insurance or the amounts of any claims successfully brought against us substantially exceed our coverage, then our business could be adversely impacted.

If we fail to maintain satisfactory compliance with the regulations of the United States Food and Drug Administration and other governmental agencies, we may be forced to recall products and cease their manufacture and distribution, and we could be subject to civil or criminal penalties.

Our operations are subject to regulation by different state and federal government agencies in the United States and other countries. If we fail to comply with those regulations, we could be subject to fines, penalties, criminal prosecution or other sanctions. Some of the products produced by our Human Health segment are subject to regulation by the United States Food and Drug Administration and similar foreign and domestic agencies. These regulations govern a wide variety of product activities, from design and development to labeling, manufacturing, promotion, sales, resales and distribution. If we fail to comply with those regulations or those of similar foreign and domestic agencies, we may have to recall products, cease their manufacture and distribution, and may be subject to fines or criminal prosecution.

Changes in governmental regulations may reduce demand for our products or increase our expenses.

We compete in markets in which we or our customers must comply with federal, state, local and foreign regulations, such as environmental, health and safety, and food and drug regulations. We develop, configure and market our products to meet customer needs created by these regulations. Any significant change in these regulations could reduce demand for our products or increase our costs of producing these products.

The healthcare industry is highly regulated and if we fail to comply with its extensive system of laws and regulations, we could suffer fines and penalties or be required to make significant changes to our operations which could have a significant adverse effect on the results of our business operations.

The healthcare industry, including the genetic screening market, is subject to extensive and frequently changing international and United States federal, state and local laws and regulations. In addition, legislative provisions relating to healthcare fraud and abuse, patient privacy violations and misconduct involving government insurance programs provide federal enforcement personnel with substantial powers and remedies to pursue suspected violations. We believe that our business will continue to be subject to increasing regulation as the federal government continues to strengthen its position on healthcare matters, the scope and effect of which we cannot predict. If we fail to comply with applicable laws and regulations, we could suffer civil and criminal damages, fines and penalties, exclusion from participation in governmental healthcare programs, and the loss of various licenses, certificates and authorizations necessary to operate our business, as well as incur liabilities from third-party claims, all of which could have a

significant adverse effect on our business.

Table of Contents

Economic, political and other risks associated with foreign operations could adversely affect our international sales and profitability.

Because we sell our products worldwide, our businesses are subject to risks associated with doing business internationally. Our sales originating outside the United States represented the majority of our total revenue in the fiscal quarter ended July 1, 2012. We anticipate that sales from international operations will continue to represent a substantial portion of our total revenue. In addition, many of our manufacturing facilities, employees and suppliers are located outside the United States. Accordingly, our future results of operations could be harmed by a variety of factors, including:

- changes in foreign currency exchange rates,
- changes in a country's or region's political or economic conditions, particularly in developing or emerging markets,
- longer payment cycles of foreign customers and timing of collections in foreign jurisdictions,
- trade protection measures and import or export licensing requirements,
- differing tax laws and changes in those laws, or changes in the countries in which we are subject to tax,
- adverse income tax audit settlements or loss of previously negotiated tax incentives,
- differing business practices associated with foreign operations,
- difficulty in transferring cash between international operations and the United States,
- difficulty in staffing and managing widespread operations,
- differing labor laws and changes in those laws,
- differing protection of intellectual property and changes in that protection,
- increasing global enforcement of anti-bribery and anti-corruption laws, and
- differing regulatory requirements and changes in those requirements.

If we do not retain our key personnel, our ability to execute our business strategy will be limited.

Our success depends to a significant extent upon the continued service of our executive officers and key management and technical personnel, particularly our experienced engineers and scientists, and on our ability to continue to attract, retain, and motivate qualified personnel. The competition for these employees is intense. The loss of the services of key personnel could have a material adverse effect on our operating results. In addition, there could be a material adverse effect on us should the turnover rates for key personnel increase significantly or if we are unable to continue to attract qualified personnel. We do not maintain any key person life insurance policies on any of our officers or employees.

Our success also depends on our ability to execute leadership succession plans. The inability to successfully transition key management roles could have a material adverse effect on our operating results.

If we experience a significant disruption in, or breach in security of, our information technology systems, or if we fail to implement new systems, software and technologies successfully, our business could be adversely affected.

We rely on several centralized information technology systems throughout our company to provide products and services, keep financial records, process orders, manage inventory, process shipments to customers and operate other critical functions. Our information technology systems may be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors, catastrophes or other unforeseen events. If we were to experience a prolonged system disruption in the information technology systems that involve our interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business. In addition, security breaches of our information technology systems could result in the misappropriation or unauthorized disclosure of confidential information belonging to us or to our employees, partners, customers or suppliers, which could result in our suffering significant financial or reputational damage.

Table of Contents

We have a substantial amount of outstanding debt, which could impact our ability to obtain future financing and limit our ability to make other expenditures in the conduct of our business.

We have outstanding debt and other financial obligations. Our debt level and related debt service obligations could have negative consequences, including:

- requiring us to dedicate significant cash flow from operations to the payment of principal and interest on our debt, which reduces the funds we have available for other purposes, such as acquisitions and stock repurchases;
- reducing our flexibility in planning for or reacting to changes in our business and market conditions; and
- exposing us to interest rate risk since a portion of our debt obligations are at variable rates.

In addition, we may incur additional indebtedness in the future to meet future financing needs. If we add new debt, the risks described above could increase.

Restrictions in our senior unsecured revolving credit facility and other debt instruments may limit our activities.

Our senior unsecured revolving credit facility, our 2015 Notes and our 2021 Notes include restrictive covenants that limit our ability to engage in activities that could otherwise benefit our company. These include restrictions on our ability and the ability of our subsidiaries to:

- pay dividends on, redeem or repurchase our capital stock,
- sell assets,
- incur obligations that restrict our subsidiaries' ability to make dividend or other payments to us,
- guarantee or secure indebtedness,
- enter into transactions with affiliates, and
- consolidate, merge or transfer all, or substantially all, of our assets and the assets of our subsidiaries on a consolidated basis.

We are also required to meet specified financial ratios under the terms of certain of our existing debt instruments. Our ability to comply with these financial restrictions and covenants is dependent on our future performance, which is subject to prevailing economic conditions and other factors, including factors that are beyond our control, such as foreign exchange rates, interest rates, changes in technology and changes in the level of competition. In addition, if we are unable to maintain our investment grade credit rating, our borrowing costs would increase and we would be subject to different and potentially more restrictive financial covenants under some of our existing debt instruments. Any future indebtedness that we incur may include similar or more restrictive covenants. Our failure to comply with any of the restrictions in our senior unsecured revolving credit facility, our 2015 Notes, our 2021 Notes or any future indebtedness may result in an event of default under those debt instruments, which could permit acceleration of the debt under those debt instruments, and require us to prepay that debt before its scheduled due date under certain circumstances.

Our results of operations will be adversely affected if we fail to realize the full value of our intangible assets.

As of July 1, 2012, our total assets included $2.7 billion of net intangible assets. Net intangible assets consist principally of goodwill associated with acquisitions and costs associated with securing patent rights, trademark rights, core technology and technology licenses, net of accumulated amortization. We test certain of these items—specifically all of those that are considered "non-amortizing"—at least annually for potential impairment by comparing the carrying value to the fair market value of the reporting unit to which they are assigned. All of our amortizing intangible assets are also evaluated for impairment should events occur that call into question the value of the intangible assets. Adverse changes in our business, adverse changes in the assumptions used to determine the fair value of our reporting units, or the failure to grow our Human Health and Environmental Health segments may result in impairment of our intangible assets, which could adversely affect our results of operations.

Table of Contents

Our share price will fluctuate.

Over the last several quarters, stock markets in general and our common stock in particular have experienced significant price and volume volatility. Both the market price and the daily trading volume of our common stock may continue to be subject to significant fluctuations due not only to general stock market conditions but also to a change in sentiment in the market regarding our operations and business prospects. In addition to the risk factors discussed above, the price and volume volatility of our common stock may be affected by:

- operating results that vary from the expectations of securities analysts and investors,
- the financial performance of the major end markets that we target,
- the operating and securities price performance of companies that investors consider to be comparable to us,
- announcements of strategic developments, acquisitions and other material events by us or our competitors, and
- changes in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates, commodity and equity prices and the value of financial assets.

Dividends on our common stock could be reduced or eliminated in the future.

On June 15, 2012, we announced that our Board had declared a quarterly dividend of $0.07 per share for the first quarter of fiscal year 2012 that will be payable in August 2012. On July 27, 2012, we announced that our Board had declared a quarterly dividend of $0.07 per share for the second quarter of fiscal year 2012 that will be payable in November 2012. In the future, our Board may determine to reduce or eliminate our common stock dividend in order to fund investments for growth, repurchase shares or conserve capital resources.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Stock Repurchase Program

The following table provides information with respect to the shares of common stock repurchased by us for the periods indicated.

	Issuer Repurchases of Equity Securities			
Period	Total Number of Shares Purchased[1][2]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 2, 2012—April 29, 2012	1,457	$26.38	—	5,999,167
April 30, 2012—May 27, 2012	8,196	$25.95	—	5,999,167
May 28, 2012—July 1, 2012	7,001	$25.70	—	5,999,167
Activity for quarter ended July 1, 2012	16,654	$25.88	—	5,999,167

(1) On October 23, 2008, we announced that our Board authorized us to repurchase up to 10.0 million shares of common stock under a stock repurchase program (the "Repurchase Program"). On August 31, 2010, we announced that our Board had authorized us to repurchase an additional 5.0 million shares of common stock under the Repurchase Program. The Repurchase Program will expire on October 22, 2012 unless terminated earlier by our Board, and may be suspended or discontinued at any time. During the second quarter of fiscal year 2012, we did not repurchase any shares of common stock in the open market under the Repurchase Program. As of July 1, 2012, 6.0 million shares of our common stock remained available for repurchase from the 15.0 million shares authorized by our Board under the Repurchase Program.

(2) Our Board has authorized us to repurchase shares of common stock to satisfy minimum statutory tax withholding obligations in connection with the vesting of restricted stock awards and restricted stock unit awards granted pursuant to our equity incentive plans. During the second quarter of fiscal year 2012, we repurchased 16,654 shares of common stock for this purpose. The repurchased shares have been reflected as a reduction in shares outstanding, but remain available to be reissued with the payments reflected in common stock and capital in excess of par value.

30

Table of Contents

Item 6. Exhibits

Exhibit Number	Exhibit Name
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language):
(i) Condensed Consolidated Statements of Operations for the three and six months ended July 1, 2012 and July 3, 2011, (ii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended July 1, 2012 and July 3, 2011, (iii) Condensed Consolidated Balance Sheets at July 1, 2012 and January 1, 2012, (iv) Condensed Consolidated Statement of Cash Flows for the six months ended July 1, 2012 and July 3, 2011, and (v) Notes to Condensed Consolidated Financial Statements.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PERKINELMER, INC.

August 7, 2012

By: /s/ FRANK A. WILSON
Frank A. Wilson
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

PERKINELMER, INC.

August 7, 2012

By: /s/ ANDREW OKUN
Andrew Okun
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Table of Contents

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