

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **2008-08-29** | Period of Report: **2008-06-30**  
SEC Accession No. **0000950134-08-016001**

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### FILER

#### **DIONEX CORP /DE**

CIK: **708850** | IRS No.: **942647429** | State of Incorpor.: **CA** | Fiscal Year End: **0630**  
Type: **10-K** | Act: **34** | File No.: **000-11250** | Film No.: **081049637**  
SIC: **3823** Industrial instruments for measurement, display, and control

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

**Form 10-K**

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

**ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended June 30, 2008**

**OR**

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

**Commission File Number 0-11250**

**DIONEX CORPORATION**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of  
Incorporation or organization)*

**1228 Titan Way,  
Sunnyvale, California**

*(Address of principal executive offices)*

**94-2647429**

*(I.R.S. Employer  
Identification No.)*

**94085**

*(Zip Code)*

**Registrant's telephone number, including area code**  
**(408) 737-0700**

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$.001 per share	The Nasdaq Stock Market LLC

**Securities registered pursuant to Section 12(g) of the Act:**

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES  NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES  NO

Indicate by check market 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  NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a 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

The aggregate market value of the registrant's Common Stock held by non-affiliates on December 31, 2007 (based upon the closing price of such stock as of such date) was \$1,515,207,458.

As of August 26, 2008, 18,102,156 shares of the registrant's Common Stock were outstanding.

Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on October 28, 2008 are incorporated by reference in Part III of this Annual Report.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements set forth or incorporated by reference in this Form 10-K, as well as in the Dionex Annual Report to Stockholders for the year ended June 30, 2008, constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995, and are made under the safe harbor provisions thereof. Such statements are subject to certain risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry conditions, to be materially different from any future results, performance or achievements, or industry results, expressed or implied by such forward-looking statements. Such risks and uncertainties include: foreign currency fluctuations, general economic conditions, fluctuation in worldwide demand for analytical instrumentation, fluctuations in quarterly operating results, competition from other products, existing product obsolescence, new product development, including market receptiveness, the ability to manufacture products on an efficient and timely basis and at a reasonable cost and in sufficient volume, the ability to attract and retain talented employees and other risks as set forth under “Item 1A. “Risk Factors” and elsewhere in this Form 10-K. Readers are cautioned not to place undue reliance on these forward-looking statements that reflect management’s analysis only as of the date hereof. Dionex undertakes no obligation to update these forward-looking statements.

## PART I

### Item 1. *BUSINESS*

#### OVERVIEW

Dionex Corporation designs, manufactures, markets and services analytical instrumentation and related accessories and chemicals. Our products are used to analyze chemical substances in the environment and in a broad range of industrial and scientific applications.

We have evaluated those business activities that are regularly reviewed by our senior management and have determined that we have two operating segments that are aggregated into one reportable segment.

Unless the context otherwise requires, the terms “Dionex,” “we,” “our” and “us” and words of similar import as used in this report include Dionex Corporation and its consolidated subsidiaries. Dionex Corporation was incorporated as a California corporation in 1980 and reincorporated in Delaware in 1986.

#### PRODUCTS AND SERVICES

We design, manufacture, market and service a range of liquid chromatography systems, sample preparation devices and related products that are used by chemists to separate and quantify the individual components of complex chemical mixtures relevant to many major industrial, research and laboratory markets.

Our liquid chromatography systems are currently focused in two product areas: ion chromatography (IC) and high performance liquid chromatography (HPLC). We offer a mass spectrometer coupled with either an IC or HPLC system. For sample preparation, we provide accelerated solvent extraction (ASE®) systems. In addition, we develop and manufacture consumables, detectors, automation and analysis systems for use in or with liquid chromatographs. Each of these product areas is described below.

##### *Ion Chromatography*

Ion chromatography is a form of chromatography that separates ionic (charged) molecules, usually found in water-based solutions, and typically detects them based on their electrical conductivity. The sale of our IC systems and related columns, suppressors, detectors, automation and other products accounted for over 60% of our net sales in fiscal 2008, 2007 and 2006, respectively.

Our IC products are used in a wide range of analytical applications, including environmental monitoring, quality control of pharmaceuticals, corrosion monitoring, and evaluation of raw materials, quality control of industrial processes and products, research and development, and regulation of the chemical composition of food,

beverage and cosmetic products. Major customers include environmental testing laboratories, life science and food companies, chemical/petrochemical firms, power generation facilities, electronics manufacturers, government agencies and academic institutions.

In fiscal 2003, we introduced the industry's first Reagent-Free™ IC (RFIC™) systems by combining eluent generation and advanced eluent suppression technologies, eliminating the need for manual preparation of eluents and reagents. Eluents are solvents used to separate materials in the chromatography process. Reagents are substances used in a chemical reaction to detect measure, examine or produce other substances. RFIC systems simplify ion chromatography while increasing its sensitivity and reproducibility. RFIC systems also eliminate the errors associated with manual reagent preparation. In fiscal 2005, we further expanded our RFIC capabilities by offering dual RFIC capabilities. In fiscal 2006, we expanded this powerful technology further by introducing RFIC for carbonate/bi-carbonate eluents, followed in fiscal 2007 by introducing RFIC-Eluent Regeneration (RFIC-ER™) systems. Using this technology, our customers are able to regenerate their eluent, thus saving time and money on eluent preparation while providing greater consistency of results.

We offer a broad range of systems for IC:

Our ICS-3000 RFIC system, introduced in fiscal 2005, is a modular system that provides a wide range of capabilities to our customers and expands our RFIC systems to a broader range of eluents. This premier product in our IC family is expandable from a single to a dual system in one footprint; one system is configurable to do the work of two systems. The ICS-3000 features the latest advancements in IC, including dual eluent generation capabilities, continuously regenerated trap column capabilities, and the SRS® Self-Regenerating Suppressor. The ICS-3000 delivers flow rates ranging from microbore to semipreparative for isocratic as well as extended gradient applications. Flexible analytical capability is offered by interfacing with several detectors including conductivity, electrochemical, UV-vis, photodiode array, and mass spectrometry. For sample introduction, the system is available with the AS Autosampler, capable of sample preparation functions, preconcentration and matrix elimination for removal of interfering analytes and enhancing detection abilities. One AS Autosampler can be shared between two systems, for advantages in applications and cost. The ICS-3000 RFIC system allows customers to run parallel or 2-D chromatography analysis for maximizing productivity or running different types of challenging applications. Chromeleon® chromatography data management software, available with the ICS-3000, provides powerful data processing, automation and control features, audit trail, intuitive database management, and full client-server capabilities using an easy to navigate graphical user interface. Together, the hardware and software offer "system wellness", a feature that automatically schedules calibration, validation, and routine maintenance on each module. Built-in diagnostics can be prompted from the software to help troubleshoot and track useful parameters such as absorbance detector lamp life and column usage. For customers that do not require the full capabilities of our Chromeleon software, we offer Chromeleon Xpress for stand-alone control of the ICS-3000.

Our ICS-2000 RFIC system, introduced in fiscal 2003, is the industry's first totally integrated and preconfigured RFIC system designed to perform with all types of electrolytically generated eluents for isocratic and gradient IC separations using suppressed conductivity detection. The system is controlled from an LCD touch pad front panel or using Chromeleon software. The ICS-2000 occupies minimal space and delivers all the advantages of an RFIC system, including ease-of use, consistency and superior performance compared to systems with manually prepared eluents.

Our ICS-1500 system, introduced in fiscal 2003, is a fully integrated and preconfigured system designed to perform IC separations using suppressed conductivity detection. The system is available with a dual-piston pump, thermally controlled conductivity cell, column heater, and optional in-line vacuum degassing. The system is controlled from an LCD touch pad front panel or using Chromeleon software.

Our ICS-1000, introduced in fiscal 2003, is an integrated and preconfigured system that performs IC separations using conductivity detection. The system features a dual-piston pump, LED status front panel and is controlled by our Chromeleon software. Options include column heating and in-line vacuum degassing. The ICS-1000 provides built-in control for electrolytic suppression technology to provide high performance and ease of use.

Our ICS-900 integrated IC system, introduced in fiscal 2008, is designed for routine ion analysis and provides easy operation and stable performance. The system features a dual-piston pump and MMS<sup>™</sup> 300 suppression with DCR technology that provides low noise and fast start-up. It occupies minimal bench space, making it an attractive solution for small laboratories.

The AS40 Automated Sample Injection module (AS40) is a low-cost, metal-free, rugged automated sample loading device designed especially for ion chromatography applications. The AS40 can be used with our IC systems. For more complex needs, we offer the AS Autosampler (AS). The AS is a high-performance, random vial access autosampler with automated sample injection which is used primarily with the high-end RFIC systems. We also provide the simultaneous injection AS Autosampler for concurrent injection of a sample onto two analytical systems or an ICS-3000 Dual RFIC System for running unique or similar applications.

In fiscal 2007, we introduced the AS-HV Autosampler (AS-HV). The AS-HV allows customers to inject volumes up to 250 mL and is designed for customers performing trace analysis.

### ***High Performance Liquid Chromatography***

HPLC is a form of chromatography that separates a wide range of small and large molecules, such as pharmaceuticals, metabolites and biologics. HPLC typically quantifies the components by measuring the amount of light that the molecules absorb or emit when exposed to a light source. Our HPLC customers include life science companies active in biological research, biotechnology, pharmaceutical drug discovery, development and manufacturing, as well as other industrial sectors, such as the food and beverage, chemical/petrochemical and environmental markets. The sales of our HPLC products and related columns, suppressors, detectors, automation and other products accounted for approximately 30% of our net sales in each of fiscal 2008, 2007 and 2006.

*Analytical HPLC* – We offer the following products for traditional and analytical HPLC:

Our UltiMate<sup>®</sup> 3000 HPLC system is designed for analytical, micro, semipreparative, nano and capillary flow rates. Introduced in fiscal 2006, the system consists of single or dual-high precision pumps providing accurate, highly reproducible isocratic or gradient separations from 0.001 mL/min (nano LC) to 100 mL/min (semipreparative) depending on the configuration. The UltiMate 3000 system allows advanced chromatography techniques such as tandem, two-dimensional, on-line SPE and parallel applications. Chromeleon chromatography data management software, available with the UltiMate 3000, provides powerful data processing, automation and control features, audit trail, intuitive database management, and full client-server capabilities using an easy to navigate graphical user interface. Chromeleon offers “system wellness”, a feature that automatically schedules calibration, validation, and routine maintenance on each module. Built-in diagnostics can be prompted from the software to help troubleshoot and track useful parameters such as absorbance detector lamp life and column usage. Advanced system startup, shutdown, control and applications are delivered using a combination of unique hardware and software interaction known as Intelligent LC (LCi) capabilities.

*Ultrafast HPLC* – UHPLC features high pressures, high flow rates and small particles in columns to greatly speed up separations. Our approach to UHPLC is as follows:

Our UltiMate 3000 Rapid Separation LC (RSLC) system provides ultrafast, ultrahigh resolution LC separations using high flow rates for increased throughput. Its unique combination of extensive pressure range, high flow rates, and ultrafast data collection facilitates high peak capacity in the shortest run times, such as separations of 10 peaks in 10 seconds. The system features precision-engineered parts and robust operation to maximize reliability and instrument uptime. As well as supporting UHPLC methods, the UltiMate 3000 RSLC also runs conventional LC methods with its flexible components. The RS Wellplate Autosampler’s patented injection valve can robustly inject 100 µL at 800 bar pressure. It works with a multitude of different sample formats, supporting a maximum of 1167 samples. Column compartments are available with integrated column switching valves to use up to six columns of up to 30 cm length at the same time. UV detectors come with a selection of micro and analytical flow cells, available in stainless steel or bioinert PEEK<sup>™</sup>. Each component stacks and operates together seamlessly, with full support by Chromeleon. LCi provides advanced capabilities



and Chromeleon features that interact with hardware. The system is designed for use with Acclaim RSLC columns, which feature small particle sizes for efficiently resolving peaks, optimizing fast LC applications. Any module of the UltiMate 3000 product line may be integrated into the RSLC system.

*Bioinert HPLC* – For optimal analysis of proteins and other biomolecules it is necessary to prevent chemical interaction with the system flow path. Bioanalysis with traditional stainless steel HPLC systems can compromise both the results and the limited, precious sample. Our approach to the analysis of biomolecules is as follows:

Our UltiMate 3000 Titanium system, introduced in 2008, features a bioinert, titanium flow path to preserve chemically unstable biomolecules. The system provides high performance dual piston pumps and detectors, including a choice of absorbance and photodiode array detectors. These options allow for a wide range of large-molecule applications including quantification of proteins and peptides, nucleic acids and other biomolecules. The system easily performs semi-prep, standard, microbore, capillary and nano gradient applications with flow rates ranging from 0.001 to 6 mL/min. Isocratic separations are supported with an even wider flow rate range (up to 10 mL/min). The UltiMate 3000 Titanium system is available with Chromeleon software. As with other UltiMate 3000 systems, the unique interaction of software and hardware delivers advanced LCi capabilities.

*Capillary-/nano-LC* – Capillary-/nano-LC is a form of HPLC that uses low flow rates for analyzing sample volumes much smaller than those analyzed using traditional analytical HPLC. We offer the following system for capillary-/nano-HPLC:

Our UltiMate 3000 Proteomics Multidimensional LC (MDLC) system is a unique x2 dual-gradient nano-HPLC that enables ion-exchange and reversed-phase separations on one system. The advanced WPS-3000 well plate sampler delivers both injection and fractionation. This allows the UltiMate Proteomics MDLC system to provide fully automated off-line 2-D LC and protein prefractionation with nanoflow capabilities for the final analytical stage. Accurate and precise flow deliveries down to 50 nL/min are achieved. The system reduces solvent consumption without compromising application flexibility. On-line fraction collection on MALDI targets is possible. System fractionation control and visualization of 2-D retention maps are delivered by Chromeleon. The interaction between hardware and software features LCi techniques, including advanced column switching, parallel LC, and other applications. The UltiMate Proteomics MDLC simplifies separation processes, leading to higher sample throughput, more reliable results, and improved laboratory productivity.

Our UltiMate 3000 Capillary-/Nano-LC system, introduced in fiscal 2005, is a dedicated microseparation system consisting of single or dual high-precision pumps coupled with patented flow control capabilities utilizing a proprietary method of flow splitting to provide accurate, reproducible isocratic and gradient separations from 50 nL/min to 2.5 mL/min, depending on the configuration. The UltiMate also has a specially developed UV detector. This detector, coupled with our proprietary capillary flow cells, allows the most sensitive UV detection in microcolumn separations. Accessories for the UltiMate system include the WPS-3000 Wellplate autosampler and the FLM-3100 Flow Control module for flow control in a thermostated column compartment that also allows column switching. The system delivers advanced techniques and intelligent startup and shutdown features as part of its LCi solutions with Chromeleon.

We offer the Probot™ microfraction collector for the micro-analysis market. The Probot allows collection or dispensation of micro-fractions and is also used for precision spotting of MALDI-TOF mass spectrometer target plates.

*Basic HPLC* – Some laboratories require a simple, compact, low-cost solution to their liquid chromatography needs. Our product in this category is as follows:

In fiscal 2008, we introduced the UltiMate 3000 Basic LC system, featuring the ACC-3000 Autosampler Column Compartment. The Basic system features excellent retention time precision, detector sensitivity, linearity, drift, and a rugged design. Designed as a cost-effective solution for routine LC analysis in pharmaceutical, food and beverage, and environmental laboratories, the system supports a wide variety of sample formats. The ACC-3000 features industry-leading sample capacity. Its integrated wash port cleans both

inner and outer needle surfaces to eliminate carryover. The basic system is configurable with Chromeleon software, for some features of the more advanced UltiMate 3000 systems.

*HPLC Autosamplers* – For sample injection and preparation, autosamplers are an important component of any HPLC system.

For HPLC applications, we offer the WPS-3000 series of autosamplers with optional thermal control for temperature-sensitive samples. The WPS-3000 series provides speed, simplicity, reliability and precision with either pull-loop or in-line split-loop injection technology. The removable carousels and programmable needle depth allows the WPS to accommodate a variety of sample vials and sizes including wellplates.

For capillary and nano-LC flow rates, we offer the WPS-3000 micro autosampler, a fully automated micro autosampler for sample injections from up to three 96 or 386 well plates or conventional 1.5 mL vials. The unique design allows for automated injection of volumes down to 20 nL. The WPS-3000 has a proprietary injection technique that ensures high performance and virtually no sample dispersion.

### ***Sample Preparation***

We offer a number of solutions for sample preparation:

In fiscal 2008, we introduced the ASE 150 and ASE 350 systems for samples ranging in size from 1 mL to 100 mL. The ASE 150 is a single-sample automated extractor. The ASE 350 can automatically extract up to 24 samples without user intervention. Each ASE system extracts components of interest from solid and semi-solid samples using common solvents (the same used in traditional Soxhlet techniques) at elevated temperatures and pressures. The extraction using ASE offers advantages in speed and other benefits over competitive techniques, including Soxhlet, sonication, microwave extraction and supercritical fluid extraction. The ASE 150 and 350 systems offer several advantages over other solvent based extraction techniques including lower solvent consumption, reduced extraction time, higher throughput, automation and ease of use. Both of these systems contain pH-hardened flow pathways featuring Dionium™ components allowing the extraction of samples that have been pretreated with strong acids or bases. This greatly expands the application range and applicable markets for the ASE sample preparation technology. The ASE 350 also has solvent mixing capability built in that allows it to draw solvents from three different bottles to provide the customer the ability to perform extractions with an infinite variety of solvents.

Along with these new ASE products that were introduced during fiscal 2008, we added a new adsorbent material to facilitate the extraction of samples that have been pretreated with strong acids, ASE Prep CR. This adsorbent neutralizes strong acids so the samples can be extracted with organic or aqueous solvents to remove analytes of interest as part of the ASE process. The introduction of this adsorbent and the new ASE 150 and 350 systems allow unattended extraction of these samples, expanding the capabilities of ASE. Both new systems provide customers with flexibility, capability, productivity and value in sample preparation technology that is not available with other techniques.

### ***Detectors***

Detectors are used to measure the quantity of various sample components after they have been separated in a chromatography column. We currently offer several detector products based on conductivity, electrochemistry, absorbance (including the PDA-3000 photodiode array detector), fluorescence and refractive index absorbance. This range of detectors is designed to meet customer requirements for analysis of organics, inorganics, metals, biological compounds and pharmaceuticals.

### ***Mass Spectrometry***

Mass spectrometry (MS) is used to identify the molecular weight of compounds within a sample substance and renders structural molecular information. Through an agreement with Thermo Fisher Scientific, we offer the MSQ Plus™ mass spectrometer together with the UltiMate 3000 HPLC and ICS-3000 systems. LC/MS and IC/MS systems using the MSQ Plus are used worldwide, particularly in the pharmaceutical market, but also for environmental testing, drug, food and beverage quality control and many other applications. The MSQ Plus mass

spectrometer is a compact, benchtop, single quadrupole mass detector. The standard system is supplied with both Electrospray (ESI) and Atmospheric Pressure Chemical Ionization (APCI) for maximum analytical flexibility. The agreement with Thermo Fisher Scientific enables us to reach chemists desiring mass selective detector capabilities.

In addition, in fiscal 2006, we introduced the Dionex Chromatography Mass Spectrometry Link (DCMSLink) software. This software package provides an interface for controlling a wide range of our chromatography instruments from third-party mass spectrometry software (MS software) such as Analyst from Applied Biosystems/MDS Sciex, Xcalibur from Thermo Fisher Scientific, and HyStar from Bruker Daltonics. In fiscal 2008, we introduced version 2.0 of DCMSLink to deliver many new features, including a unique graphical control interface for Dionex instruments. The interface provides real-time modification of instrument parameters. The new version also supports digital acquisition of 3-D data from the UltiMate 3000 photodiode array detector, for assessing peak purities, spectral matching and peak tracking. When using DCMSLink, all instruments are controlled and all data is stored, reviewed, quantitated and reported by the MS software. DCMSLink enables us to expand to additional potential markets for our chromatography systems to customers who desire the quality and features of our chromatography with higher-end mass spectrometers.

### ***Process Instrumentation***

We offer the DX-800 Process Analyzer for continuous on-line monitoring necessary in a variety of industrial applications. Major applications for the DX-800 are in the power generation industry for the continuous monitoring of corrosive contaminants in boiler water, the semiconductor industry for continuous monitoring of contaminants in high purity water, and the pharmaceutical and chemical industries for continuous monitoring of biological and chemical synthesis processes. The DX-800 uses our Chromeleon chromatography software for automation, data acquisition, reporting and security. The software allows the user to view analyzer status, handle alarms, and interface with the computing and control systems in place at the enterprise where the DX-800 is installed.

### ***Automation Products***

As part of our efforts to make chemical analyses simpler, faster and more reliable, we offer a family of products that automate sample handling, system operation and data analysis for chromatography systems. These products include Chromeleon chromatography management for IC and HPLC that enables interaction between hardware and software for such features as system wellness and smart startup and shutdown. Our advanced LC automation capabilities support applications such as discovery processes, quality control, and advanced research like proteomics and biomarker discovery. Specifically, the automation capabilities deliver advanced techniques, including parallel and tandem analysis, 2-D LC analysis, on-line SPE-LC analysis, automated application switching and automated method scouting.

*Chromeleon Software* – In fiscal 2006, we introduced Chromeleon 6.8, the latest version of our chromatography data management system. From a single user interface, Chromeleon provides full control of over 250 LC and GC instruments from more than 25 vendors of liquid and gas chromatography systems. It is an easy-to-use, adaptable data management system with scalable client/server architecture for customers requiring a single workstation to lab- or campus-wide deployment. Data is organized by instrument, user, project or product. All data is stored locally on a personal computer, centrally on a network server, or both. Chromeleon features a flexible graphical user interface and report generator which can be adapted to dedicated applications. Chromeleon also offers a complete suite of features for regulatory compliance: security, validation, audit trails and electronic signatures. Chromeleon provides all the features that laboratories need to comply with GLP, GMP and 21 CFR Part 11 without losing productivity.

In fiscal 2008, we further expanded the capabilities of Chromeleon by adding Service Pack 3 for release 6.8. The service pack provides Chromeleon support for Microsoft Windows Vista operating system. Windows Vista, which is being pre-loaded by many computer manufacturers, provides a superior security infrastructure, and supports new user interface and multimedia capabilities. The new Chromeleon software continues Windows XP support, and adds support for RFIC-ER, the new Dionex eluent regeneration technology that simplifies ion chromatography. New drivers for Agilent 1200 HPLCs, Agilent G1888 Headspace autosamplers, Thermo Accela

HPLC systems and Thermo TriPlus autosamplers are also provided, allowing broader third-party control for Chromeleon to excel in laboratory applications.

### **Consumables**

We offer a number of consumables for IC and HPLC customers. The primary consumables provided by us are columns, suppressors and RFIC eluent cartridges. These consumables are replaced at regular intervals depending on the volume of use and sample composition.

*Columns* – A chromatography column consists of a hollow cylinder packed with a unique separation material. The column's function is to separate various chemical components in a sample. We develop and manufacture separation materials such as ion-exchange resins, silica-based bonded phases and monolithic phases using proprietary processes. We currently manufacture and market a broad range of column types designed and tested for specific applications in the HPLC and IC markets. We offer a wide range of polymer-based ion-exchange and reversed-phase columns supporting capillary, analytical and semipreparative scale applications.

Recent column introductions augment a continuing program of product launches geared to address developing market requirements. For IC, in fiscal 2008 and 2007, we introduced the IonPac® AS17-C anion-exchange column for the determination of key anions in high-purity drinking water matrices. The key application for the AS17-C column is the determination of common inorganic anions in high purity water matrices. The column provides low sulfate blanks and fast equilibration time for the analysis of trace anions in high purity water matrices. In fiscal 2008, we also introduced the IonPac AS24, a hydroxide-selective anion-exchange column designed for the separation of haloacetic acids in drinking water prior to MS or MS/MS detection. The capacity and selectivity of the AS24 allows for the analysis of haloacetic acids in drinking water at low µg/L concentrations.

For HPLC customers, we introduced in fiscal 2008 and 2007 a number of new columns designed to address the expanding needs of our customers. We introduced the Acclaim® Mixed-Mode HILIC-1 silica-based column, which allows chromatographers to control the elution of both highly polar and nonpolar molecules to optimize resolution of polar compounds that are otherwise unretained by reversed-phase chromatography. The Acclaim Mixed-Mode WCX-1 and WAX-1 silica-based columns allow the chromatographer to control the elution of acids, bases and neutral molecules with one column. The Acclaim RSLC column for UHPLC separations uses improved 3 µm particles and new 2 µm particles coupled with our UltiMate 3000 system and provides 15-fold faster separations than conventional HPLC. RSLC columns are designed for faster throughput while maintaining robustness and ease of use.

In fiscal 2008, we introduced to the life sciences market the ProSwift® ion-exchange monolith columns, the ProSwift SAX-1S and the ProSwift WCX-1S in 4.6 mm format, for increased resolution, speed and capacity for protein separations. In addition, we introduced the ProSwift WAX-1S and ProSwift WCX-1S in 1 mm format for separation of proteins and large peptides. The introductions further expand our polymeric monolith family of columns.

We also offer a variety of micro, capillary and nano-LC columns in varying formats packed with a variety of "stationary phase" materials.

*Eluent Suppressors* – In fiscal 2008, we introduced the SRS 300 family of Self-Regenerating Suppressors to enhance detection and sensitivity in ion chromatography. These eluent suppressors provide a high backpressure tolerance for improved and rugged operation, with a maximum leak tolerance up to 300 psi. Their innovative regenerant sweep-out design provides low noise and fast startup. The new shape is designed to fit all Dionex chromatograph enclosures.

This new generation of suppressors is available for anionic separations (ASRS® 300) using hydroxide and carbonate/bicarbonate eluents, or cationic separations (CSRS® 300) using methanesulfonic acid and sulfuric acid eluents. Eluents containing no solvent can be recycled for use as regenerant, or, for eluents containing low concentrations of solvents, the suppressors can be run in external water mode. Chemical suppression can also be used with these suppressors for eluents with higher solvent concentrations. SRS 300 suppressors are available in a 4-mm format (for use with 4- and 5-mm columns) and a 2-mm format (for use with 2- and 3-mm columns). Our suppressor's lower background conductivity and support a wide range of ion-exchange column separations

including separations using high capacity columns and more concentrated eluents liquids used to carry a sample through a liquid chromatography system. We offer an array of suppressors that include the Self Regenerating Suppressor (SRS ULTRA II), the Atlas® Suppressor and the MicroMembrane™ Suppressor (MMS III).

To further enhance our IC capabilities in fiscal 2008, we introduced the CRD 300 Carbonate Removal Device. This device removes carbonate ions from suppressed carbonate eluents, reducing background conductivity to levels similar to those achieved using suppressed hydroxide eluents. The lower backgrounds ensure lower detection limits and more consistent, reproducible results. *RFIC Eluent Cartridges* – We manufacture eluent generation cartridges used with RFIC systems for the automatic production of high-purity eluents. We offer cartridges for generation of hydroxide Aethane Sulfuric Acid and carbonate/bicarbonate eluents.

*Service and Other* – We also provide services and service products through our customer service organization. These services include maintenance contracts, spare part sales, customer training and sales of other products and valued-added services. (See “Technical Support, Installation and Service” below.)

## **CUSTOMERS, MARKETING, AND SALES**

Our products are used extensively in the environmental, life science and industrial markets using chromatography and extraction technologies. The environmental market is characterized by water analysis, safety and security applications and pollution testing, with chemists from private and governmental laboratories being our primary customers in this field. The life science markets we serve include the pharmaceutical segment, biosciences and medical sciences, with customers from industrial, academic and governmental accounts. The industrial markets we serve include the electronics and power industries with a demand for analyzing the higher-purity water quality in their production facilities. Furthermore, we serve a number of the largest industrial companies worldwide within the chemical industry market, which produce specialty chemicals/petrochemicals, consumer products and more, and the food and beverage market, which test for product quality assurance.

One of our marketing strategies is to target all market segments mentioned above to increase demand for our chromatography solutions. This strategy is accomplished by approaching all existing and potential customers through direct marketing activities including direct sales calls, mailings, advertising, electronic marketing, seminars, and workshops. In addition, we build visibility and branding for our global presence through scientific conferences and exhibitions. Continuous growth in all these markets results from identifying new customers in existing sales regions, extending geographic penetration and increasing demand for our products and technical support capabilities.

The second component of our marketing strategy is to explore and develop new application fields in close collaboration with existing and potential customers, and to leverage this competence into other market areas. A prerequisite to establish this process is the availability of highly skilled technical developing and support staff working to also assist customers in solution definition and development. To meet and exceed customer expectations in our developing commercial markets, our effort is to optimize and diversify our technology interests in the chromatography market, including sample preparation, purification, analysis, testing, and data management.

Geographically, we currently market and distribute our products and services through our own sales force in Austria, Australia, Benelux, Brazil, Canada, China, Denmark, France, Germany, India, Ireland, Italy, Japan, Korea, the Netherlands, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. In each of these countries, we maintain one or more local sales offices in order to support and service our customers in the regions. In other international locations where we do not have a direct sales force, we have developed a network of distributors and sales agents. In fiscal 2008, our net sales by geographic region were approximately 28% in North America, 43% in Europe and 29% in Asia/Pacific and other. In fiscal 2007, our net sales by geographic region were approximately 29% in North America, 44% in Europe and 27% in Asia/Pacific and other.

We manufacture our products based upon our forecast of customer demand and maintain adequate inventories of completed modules or finished goods in advance of receipt of firm orders. System or instrument orders are generally placed by the customer on an as-needed basis, and instruments are usually shipped within four to six weeks after receipt of an order. We do not maintain a substantial backlog, and backlog as of any particular date

may not be indicative of our actual sales in any succeeding period. The level of backlog at June 30, 2008 was \$57.9 million and at June 30, 2007 was \$49.3 million.

## **FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS**

For financial information by geographic area, refer to footnote 14 of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

## **COMPETITION**

Competition in our industry is based upon the performance capabilities of the analytical instruments, technical support and after-market services, the manufacturer's reputation as a technological leader and selling prices. Management believes that performance capabilities are the most important of these criteria. Customers measure system performance based on sensitivity (the ability to discern minute quantities of a particular sample component), selectivity (the ability to distinguish between similar components), speed and throughput of analysis, and the range of chemical and biological samples the system can effectively analyze. Management believes that we enjoy a favorable reputation in terms of performance capabilities, technical support and service.

Companies competing with us in the analytical instruments market include Agilent Technologies, Inc., Shimadzu Corporation, Thermo Fisher Scientific Inc., Varian, Inc., Waters Corporation and Metrohm Ltd.

We believe we have a substantial market share in the IC market, which is a segment of the LC market. Our IC systems generally compete with a number of analytical techniques used in identifying and quantifying ionic and polar compounds. The primary source of competition are conventional manual and automated wet chemistry procedures and certain possibly modified liquid chromatography systems using a single column method without or including an ion suppression device. Companies competing with us in IC include such vendors as Metrohm AG, Shimadzu Corporation, Waters Corporation and other smaller companies.

We believe we have a smaller but growing market share in the high pressure, analytical and capillary/nano-LC HPLC portions of the LC market. Our UltiMate 3000 systems compete directly with other manufacturers' HPLC systems in high pressure, traditional and capillary-/nano- HPLC applications. We believe that the UltiMate HPLC system has certain benefits over competing systems, including advanced pump and dual pump technology, thermostatted temperature control, high performance auto sampling capabilities, all technologies designed for intelligent LC (LCi). In addition, the UltiMate 3000 offer many benefits over competing systems including the ability to analyze minute contents of sample at very low flow rates or analyze samples at higher pressure at varying flow rates. We also believe that our Chromeleon software package not only provides competitive advantages over our competitors' software offerings but is respected as the most advanced chromatography data management system in the market. Our competitors in the HPLC market include such vendors as Agilent Technologies, Inc., Shimadzu Corporation, Thermo Fisher Scientific, Varian, Inc., Waters Corporation and various smaller companies.

Our Accelerated Solvent Extraction (ASE) systems compete directly with standard Soxhlet, sonication, supercritical fluid extraction and microwave extraction techniques provided by other companies. Management believes that our ASE systems have certain benefits compared to competing techniques, including faster extraction time, reduced solvent usage, built-in automation and ease of use.

## **PATENTS AND LICENSES**

We have a patent portfolio covering certain technologies of our products. These technologies include but are not limited to those used in our suppressors, eluent generators, columns, sample preparation devices, pumps, autosamplers, and detectors. The portfolio includes both apparatus and method of use patents. Our patents are presently issued in the United States and number of foreign countries including those in North America, Europe and Asia. As a matter of company policy, we vigorously protect our intellectual property rights and seek patent coverage on developments that we regard as strategic, material and patentable. Our portfolio includes licenses of technologies that we view as strategic. Our patents, including those licensed from others, expire between 2008 through 2027. We believe that, while our patent portfolio has value, no single patent or patent application is in itself essential and that the invalidity or expiration of any single patent would not have a material adverse effect on our business.

We regard our Chromeleon software as proprietary and we rely on a combination of copyrights, trademarks, trade secret laws and other proprietary rights, laws, license agreements and other restrictions on disclosure, copying and transferring title to protect our rights to our software products. We have no issued patents covering our software, and existing copyright laws afford only limited protection. In addition, the laws of some foreign countries do not protect our proprietary rights to the same extent as do the laws of the United States.

## **INTERNATIONAL OPERATIONS**

Financial information about foreign and domestic operations and export sales is provided in Note 14 of the Notes to Consolidated Financial Statements found elsewhere in this report.

We have subsidiaries in Austria, Australia, Brazil, Canada, China, Denmark, France, Germany, India, Ireland, Italy, Japan, Korea, the Netherlands, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. Our foreign sales are affected by fluctuations in currency exchange rates and by regulation adopted by foreign governments. Such fluctuations have materially affected, both positively and negatively, our results of operation in past periods and will likely materially affect our results of operations in the future. Export sales are subject to certain controls and restrictions, but we have not experienced any material difficulties related to these limitations.

## **MANUFACTURING AND SUPPLIERS**

We produce most of our consumables, including columns and suppressors, and assemble our IC systems and modules in our California manufacturing facilities. We assemble the systems and modules for our UltiMate 3000 systems in our manufacturing facility in Germany. We have developed proprietary processes for the manufacture of polystyrene-based resins and for packing columns with these resins. We believe that our resins, columns and suppressor manufacturing know-how are critical to the performance and reliability of our chromatography systems. We require each employee and consultant to sign a nondisclosure agreement to protect our proprietary processes. However, there can be no assurances that these agreements will provide meaningful protection or adequate remedies for our proprietary processes in the event of unauthorized use or disclosure.

We have emphasized a modular design for the principal subsystems of our pumping and flow systems, sample injection systems, chromatography modules, detectors, and control and data analysis systems. We believe that this modular approach has enabled us to meet the wide range of system configurations required by our customers. Manufacturing has transitioned into flow-line production for our major systems while maintaining subassembly cell production for our integrated modules. These practices have enhanced our ability to effectively manage our inventory levels.

We manufacture many subassemblies used in our products. Components, including formed-plastic and sheet-metal packaging materials, machine-metal parts, integrated circuits, microprocessors, microcomputers and certain detector and data analysis modules, are purchased from other manufacturers. Most of the raw materials, components and supplies purchased by us are available from a number of different suppliers, although a number of items are purchased from limited or single source of supply.

## **TECHNICAL SUPPORT, INSTALLATION AND SERVICE**

Users of our chromatography systems may require technical support before and after a system sale. Services provided before the sale are recorded in operating expenses as incurred. Chromatography systems sold by us generally include a one-year warranty. These costs are accrued for at the time of the system sale. Installation and certain basic user training are provided to the customer, with revenues for these services recognized at the time the services are provided. Maintenance contracts may be purchased by customers to cover equipment no longer under warranty. Maintenance work not performed under warranty or maintenance contracts is performed on a time and materials basis. We offer training courses and periodically send our customers information on applications development. We install and service our products through our own field service organizations in Austria, Australia, Brazil, Canada, China, Denmark, France, Germany, India, Italy, Ireland, Japan, Korea, the Netherlands, Singapore, Sweden, Switzerland, Taiwan the United Kingdom and the United States. Installation and service in other foreign countries are typically provided by our distributors or agents.

## RESEARCH AND PRODUCT DEVELOPMENT

Our research and product development efforts are focused on increasing the performance of our chromatography and other products and expanding the number of chemical and biological compounds that can be analyzed efficiently with our products. Research and product development expenditures were \$28.9 million, \$24.7 million and \$22.4 million in fiscal 2008, 2007 and 2006, respectively. We pursue active development programs in the areas of system hardware, applications, computer software, suppressors, and resin and column technologies. There can be no assurances that our product development efforts will be successful or that the products developed will be accepted by the marketplace.

## EMPLOYEES

We had 1,351 employees at June 30, 2008, compared with 1,193 employees at June 30, 2007.

## AVAILABLE INFORMATION

We maintain a website at [www.dionex.com](http://www.dionex.com); however, information found on our website is not incorporated by reference into this report. We make available free of charge on or through our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). Our Board of Directors has adopted charters for the Audit, Compensation and Nominating and Governance Committees of our Board of Directors and a Code of Business Conduct and Ethics applicable to all of our officers and employees. These charters and our Code of Business Ethics and Values are available on our website at <http://investor.dionex.com/governance-PDFs.cfm> and a printed copy of this information is available without charge by sending a written request to: Investor Relations, Dionex Corporation, 1228 Titan Way, Sunnyvale, California 94085. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, DC 20549, and may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

### Item 1A. **RISK FACTORS.**

You should consider carefully the following risk factors as well as other information in this report before investing in any of our securities. If any of the following risks actually occur, our business operating results and financial condition could be adversely affected. This could cause the market price for our common stock to decline, and you may lose all or part of your investment. These risk factors include any material changes to, and supersede, the risk factors previously disclosed in our most recent annual report on Form 10-K and subsequently filed quarterly reports on Form 10-Q.

#### ***Foreign currency fluctuations related to international operations may adversely affect our operating results.***

We derived approximately 75% of our net sales from outside the United States in fiscal 2008 and expect to continue to derive the majority of net sales from outside the United States for the foreseeable future. Most of our sales outside the United States are denominated in the local currency of our customers. As a result, the U.S. dollar value of our net sales varies with currency rate fluctuations. Significant changes in the value of the U.S. dollar relative to certain foreign currencies could have a material adverse effect on our results of operations. In recent periods, our results of operations have been positively affected from the depreciation of the U.S. dollar against the Euro, the yen and several other foreign currencies, but there can be no assurance that this positive impact will continue. In the past, our results of operations have been negatively impacted by the appreciation of the U.S. dollar against other currencies.



***Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.***

Because we sell our products worldwide and have significant operations outside of the United States, our business is subject to risks associated with doing business internationally. We anticipate that revenue from international operations will continue to represent a majority of our total net sales. In addition, we expect that the proportion of our employees, contract manufacturers, suppliers, job functions and manufacturing facilities located outside the United States will increase. Accordingly, our future results could be harmed by a variety of factors, including:

- interruption to transportation flows for delivery of parts to us and finished goods to our customers;
- changes in a specific country' s or region' s political, economic or other conditions;
- trade protection measures and import or export licensing requirements;
- negative consequences from changes in tax laws;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- differing protection of intellectual property;
- unexpected changes in regulatory requirements; and
- geopolitical turmoil, including terrorism and war.

***Fluctuations in worldwide demand for analytical instrumentation could affect our operating results.***

The demand for analytical instrumentation products can fluctuate depending upon capital expenditure cycles. Most companies consider our instrumentation products capital equipment and some customers may be unable to secure the necessary capital expenditure approvals due to general economic or customer specific conditions. Significant fluctuations in demand could harm our results of operations.

***A downturn in economic conditions could affect our operating results.***

Our business, financial condition and results of operations may be affected by various economic factors. In an economic recession or under other adverse economic conditions, our customers may be less likely to purchase our products and vendors may be more likely to fail to meet contractual terms. A downturn in economic conditions may make it more difficult for us to maintain and continue our revenue growth and profitability performance. A decline in economic conditions may have a material adverse effect on our business.

***Fluctuations in our quarterly operating results may cause our stock price to decline.***

A high proportion of our costs are fixed due in part to our significant sales, research and product development and manufacturing costs. Declines in revenue caused by fluctuations in currency rates, worldwide demand for analytical instrumentation or other factors could disproportionately affect our quarterly operating results, which may in turn cause our stock price to decline.

***Our results of operations and financial condition will suffer if we do not introduce new products that are attractive to our customers on a timely basis.***

Our products are highly technical in nature. As a result, many of our products must be developed months or even years in advance of the potential need by a customer. If we fail to introduce new products and enhancements as demand arises or in advance of the competition, our products are likely to become obsolete over time, which would harm operating results. Also, if the market is not receptive to our newly-developed products, our results of operations would be adversely impacted and we may be unable to recover the costs of research and product development and marketing associated with such products.

***The analytical instrumentation market is highly competitive, and our inability to compete effectively in this market would adversely affect our results of operations and financial condition.***

The analytical instrumentation market is highly competitive and we compete with many companies on a local and international level that are significantly larger than we are and have greater resources, including larger sales forces and technical staff. Competitors may introduce more effective and less costly products and, in doing so, may make it difficult for us to acquire and retain customers. If this occurs, our market share may decline and operating results could suffer.

***We may experience difficulties with obtaining components from sole- or limited-source suppliers, or manufacturing delays, either of which could adversely affect our results of operations.***

Most raw materials, components and supplies that we purchase are available from many suppliers. However, certain items are purchased from sole or limited-source suppliers and a disruption of these sources could adversely affect our ability to ship products as needed. A prolonged inability to obtain certain materials or components would likely reduce product inventory, hinder sales and harm our reputation with customers. Worldwide demand for certain components may cause the cost of such components to rise or limit the availability of these components, which could have an adverse effect on our results of operations.

We manufacture products in our facilities in Germany, the Netherlands and the United States. Any prolonged disruption to the operations at these facilities, whether due to labor unrest, supplier issues, damage to the physical plants or equipment or other reasons, could also adversely affect our results of operations.

***Our executive officers and other key employees are critical to our business, they may not remain with us in the future and finding talented replacements may be difficult.***

Our operations require managerial and technical expertise. Each of our executive officers and key employees located in the United States is employed "at will" and may leave our employment at any time. In addition, we operate in a variety of locations, specifically the Bay Area and around the world where the demand for qualified personnel may be extremely high and is likely to remain so for the foreseeable future. As a result, competition for personnel can be intense and the turnover rate for qualified personnel may be high. The loss of any of our executive officers or key employees could cause us to incur increased operating expenses and divert senior management resources in searching for replacements. An inability to hire, train and retain sufficient numbers of qualified employees would seriously affect our ability to conduct our business.

***We may be unable to protect our intellectual property rights and may face intellectual property infringement claims***

Our success will depend, in part, on our ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. We cannot be certain that:

- any of our pending patent applications or any future patent applications will result in issued patents;
- the scope of our patent protection will exclude competitors or provide competitive advantages to us;
- any of our patents will be held valid if subsequently challenged; or
- others will not claim rights in or ownership of the patents and other proprietary rights held by us.

Furthermore, we cannot be certain that others have not or will not develop similar products, duplicate any of our products or design around any patents issued, or that may be issued, in the future to us or to our licensors. Whether or not patents are issued to us or to our licensors, others may hold or receive patents which contain claims having a scope that covers products developed by us. We could incur substantial costs in defending any patent infringement suits or in asserting any patent rights, including those granted by third parties. In addition, we may be required to obtain licenses to patents or proprietary rights from third parties. There can be no assurance that such licenses will be available on acceptance terms, if at all.

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Our issued U.S. patents, and corresponding foreign patents, expire at various dates ranging from 2008 to 2027. When each of our patents expires, competitors may develop and sell products based on the same or similar technologies as those covered by the expired patent. We have invested in significant new patent applications, and we cannot be certain that any of these applications will result in an issued patent to enhance our intellectual property rights.

### **Item 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

### **Item 2. PROPERTIES**

We own nine buildings in Sunnyvale, California, providing 252,000 square feet of space utilized for administration, marketing, sales, service, research and product development and manufacturing. We also own a 20,000 square foot building utilized for sales, service and administration in Idstein, Germany, a 77,000 square foot building for marketing, R&D, manufacturing and administration in Germering, Germany and a 32,000 square foot building in Osaka, Japan for sales, service and administration.

We lease sales and service offices in Austria, Australia, Benelux, Brazil, Canada, China, Denmark, France, Germany, India, Ireland, Italy, Japan, Korea, the Netherlands, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. In addition, we lease marketing and research and product development offices in Salt Lake City, Utah. We also lease marketing and research and product development offices in Amsterdam, the Netherlands. Our facilities are well maintained, adequate to conduct our current business.

### **Item 3. LEGAL PROCEEDINGS**

We are a party to various legal proceedings arising in the ordinary course of our business, but are not currently a party to any legal proceeding that management believes will have a material adverse effect on our financial position or results of operations.

### **Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

Not applicable.

## **PART II**

### **Item 5. MARKET FOR OUR COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUER REPURCHASES OF EQUITY SECURITIES**

#### **MARKET PRICE OF COMMON STOCK**

Our common stock is traded in the over-the-counter market through the Nasdaq Global Market under the symbol DNEQ. The following table sets forth, for the periods indicated, the high and low sales price as reported by the Nasdaq Global Market.

	Quarter	Fiscal 2008		Fiscal 2007	
		High	Low	High	Low
First		\$80.10	\$67.54	\$56.58	\$45.76
Second		\$88.00	\$80.32	\$58.99	\$48.67
Third		\$82.34	\$66.76	\$68.11	\$54.62
Fourth		\$79.65	\$65.00	\$74.85	\$66.04

As of August 26, 2008, there were 771 holders of record of our common stock as shown on the records of our transfer agent.

#### **DIVIDENDS**

As of August 29, 2008, we have paid no cash dividends on our common stock and we do not anticipate doing so in the foreseeable future.



## ISSUER PURCHASES OF EQUITY SECURITIES

During the fourth quarter of fiscal 2008, we repurchased shares of our common stock under a systematic program to manage the dilution created by shares issued under employee stock plans and for other purposes. This program authorizes repurchases in the open market or in private transactions. We started a series of repurchase programs in fiscal 1989, with the Board of Directors most recently authorizing in August 2006 future repurchases of an aggregate of 1.5 million shares of common stock as well as authorizing the repurchase of additional shares of common stock equal to the number of common shares issued pursuant to our employee stock plans.

The following table indicates common shares repurchased and additional shares added to the program during the three months ended June 30, 2008:

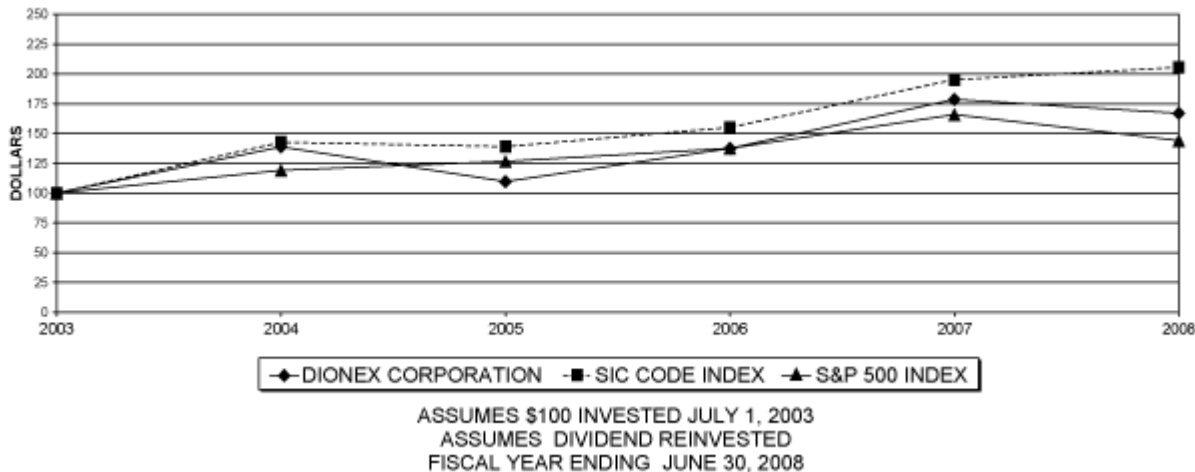
<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Avg. Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Program(1)</u>	<u>Additional Shares Authorized for Purchase(1)</u>	<u>Maximum Number of Shares that May Yet be Purchased Under the Program(2)</u>
April 1 - 30, 2008	–	–	6,813,543	–	695,910
May 1 - 31, 2008	173,965	\$70.97	6,987,508	15,701	537,646
June 1 - 30, 2008	35,000	\$71.81	7,022,508	9,435	512,081

- (1) The number of shares represents the number of shares issued pursuant to employee stock plans that are authorized for purchase.
- (2) The number of shares includes 1.5 million shares of common stock approved for repurchase in August 2006 plus that number of shares of common stock equal to the number of shares issued pursuant to employee stock plans subsequent to August 2006 minus the number of shares purchased since August 2006.

**PERFORMANCE GRAPH**

The following graph demonstrates a comparison of cumulative total returns for our Common Stock, the SIC Code Index and the Standard & Poor's 500 Stock Index, assuming \$100 invested as of July 1, 2003:

**COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN  
AMONG DIONEX CORPORATION,  
S&P 500 INDEX AND SIC CODE INDEX**



**COMPARISON OF CUMULATIVE TOTAL RETURN OF ONE OR MORE  
COMPANIES, PEER GROUPS, INDUSTRY INDEXES AND/OR BROAD MARKETS**

COMPANY/INDEX/MARKET	FISCAL YEAR ENDING					
	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007	6/30/2008
Dionex Corporation	100.00	138.83	109.71	137.54	178.64	167.01
Analytical Instruments (SIC)	100.00	142.69	139.01	155.14	195.19	205.49
S&P Composite	100.00	119.11	126.64	137.57	165.90	144.13

**Item 6. SELECTED CONSOLIDATED FINANCIAL DATA**

Statement of Operations Information:

	Year Ended June 30				
	2008	2007	2006	2005	2004
	(In thousands, except per share amounts)				
Net sales	\$377,538	\$327,284	\$291,300	\$279,317	\$258,834
Cost of sales	126,756	109,015	99,857	91,754	88,944
Gross profit	250,782	218,269	191,443	187,563	169,890
Operating expenses:					
Selling, general and administrative	142,545	123,525	113,241	102,539	89,100
Research and product development	28,943	24,737	22,392	20,354	19,155
Total operating expenses	171,488	148,262	135,633	122,893	108,255
Operating income	79,294	70,007	55,810	64,670	61,635
Interest income	2,212	1,435	1,874	1,276	801
Interest expense	(878 )	(335 )	(184 )	(176 )	(240 )
Other income/(expense)	(2,230 )	183	1,013	801	(340 )
Income before taxes on income	78,398	71,290	58,513	66,571	61,856
Taxes on income	25,598	25,968	22,820	21,081	20,481
Net income	\$52,800	\$45,322	\$35,693	\$45,490	\$41,375
Basic earnings per share	\$2.85	\$2.37	\$1.78	\$2.20	\$1.96
Diluted earnings per share	\$2.77	\$2.31	\$1.74	\$2.13	\$1.89
Shares used in computing earnings per share amounts:					
Basic	18,506	19,136	20,013	20,655	21,056
Diluted	19,072	19,615	20,527	21,388	21,943

We have paid no cash dividends.

Balance sheet information:

	At June 30				
	2008	2007	2006	2005	2004
	(In thousands)				
Working capital	\$106,269	\$93,780	\$97,769	\$102,006	\$103,719
Total assets	330,430	272,188	250,402	238,153	235,465
Long-term debt	-	-	-	-	-
Stockholders' equity	196,749	185,708	185,382	183,049	183,454

Item 7. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Cautionary Statement Regarding Forward-Looking Statements**

Except for historical information contained herein, the discussion below and in the footnotes to our financial statements contained in this Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995, and are made under the safe harbor provisions thereof. Such statements are subject to certain risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements, or industry results, expressed or implied by such forward-looking statements. Such risks and uncertainties include, among other things: general economic conditions, foreign currency fluctuations, fluctuations in worldwide demand for analytical instrumentation, fluctuations in quarterly operating results, competition from other products, existing product obsolescence, new product development, including market receptiveness, the ability to manufacture products on an efficient and timely basis and at a reasonable cost and in sufficient volume, the ability to attract and retain talented employees and other risks as described in more detail below under the heading "Risk Factors." Readers are cautioned not to place undue reliance on these forward-looking statements that reflect management's analysis only as of the date hereof. We undertake no obligation to update these forward-looking statements.

**OVERVIEW**

Dionex Corporation designs, manufactures, markets and services analytical instrumentation and related accessories and chemicals. Our products are used to analyze chemical substances in the environment and in a broad range of industrial and scientific applications. Our systems are used in environmental analysis and by the pharmaceutical, life sciences, chemical/ petrochemical, power generation, and food and electronics industries in a variety of applications. Unless the context otherwise requires, the terms "Dionex," "we," "our" and "us" and words of similar import as used herein include Dionex Corporation and its consolidated subsidiaries.

Our liquid chromatography systems are currently focused in two product areas: ion chromatography (IC) and high performance liquid chromatography (HPLC). We offer a mass spectrometer coupled with either an IC or HPLC system. For sample preparation, we provide automated solvent extraction systems. In addition, we develop and manufacture consumables, detectors, automation and analysis systems for use in or with liquid chromatographs.

We market and distribute our products and services through our own sales force in Austria, Australia, Benelux, Brazil, Canada, China, Denmark, France, Germany, India, Ireland, Italy, Japan, Korea, the Netherlands, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. In each of these countries, we maintain one or more local sales offices in order to support and service our customers in the regions. We manufacture our products based upon a forecast of customer demand and we generally try to maintain adequate inventories of completed modules or finished goods in advance of receipt of firm orders. System or instrument orders are generally placed by the customer on an as-needed basis and instruments are usually shipped within two to six weeks after receipt of an order.



**RESULTS OF OPERATIONS**

The following table summarizes our consolidated statements of income for the last three fiscal years with each line item shown as a percentage of net sales.

	<b>Year Ended June 30</b>		
	<b>2008</b>	<b>2007</b>	<b>2006</b>
Net sales	100.0%	100.0%	100.0%
Cost of sales	33.6	33.3	34.3
Gross profit	66.4	66.7	65.7
Operating expenses:			
Selling, general and administrative	37.7	37.7	38.9
Research and product development	7.7	7.6	7.7
Total operating expenses	45.4	45.3	46.6
Operating income	21.0	21.4	19.1
Interest income, net	0.4	0.3	0.6
Other income (expense), net	(0.6 )	0.1	0.3
Income before taxes	20.8	21.8	20.0
Taxes on income	6.8	7.9	7.8
Net income	14.0 %	13.8 %	12.2 %

Net sales for fiscal 2008 were \$377.5 million, an increase of 15% compared with the \$327.3 million reported in fiscal 2007 and \$291.3 million in fiscal 2006. Operating income for fiscal 2008 was \$79.3 million, growing 13% from fiscal 2007 and representing 21% of sales. Operating income for fiscal 2007 was \$70.0 million, an increase of 25% compared to fiscal 2006 and represented 21% of sales.

Diluted earnings per share for fiscal 2008 was \$2.77, an increase of 20% compared to \$2.31 in fiscal 2007. Diluted earnings per share for fiscal 2007 represented an increase of 33% compared to \$1.74 in fiscal 2006.

Cash flow from operations during fiscal 2008 was \$70.7 million. Cash flow from operations was \$68.5 million for fiscal 2007 and \$51.0 million for fiscal 2006.

For fiscal 2008, we repurchased 928,131 shares of our common stock for \$70.3 million compared to \$69.6 million in fiscal 2007 and \$73.9 million in fiscal 2006.

***Net Sales***

The increase in net sales from fiscal 2007 to fiscal 2008 and from fiscal 2007 to fiscal 2006 was the result of increased sales in all of the major geographic regions in which we do business, as described in greater detail below. We are subject to the effects of foreign currency fluctuations that have an impact on net sales and gross profits. Currency fluctuations increased net sales by 5% in fiscal 2008 and 3% in fiscal 2007 and decreased net sales by 3% in 2006. Growth rates for the last three fiscal years are indicated in the tables below:

Percentage increases in net sales:

	<b>From Fiscal 2007 to Fiscal 2008</b>		<b>From Fiscal 2006 to Fiscal 2007</b>	
	15	%	12	%
Total:				
By geographic region:				
North America	13	%	5	%
Europe	12	%	17	%
Asia/Pacific	24	%	14	%

Percentage increases in net sales excluding the impact of currency fluctuations:

	From Fiscal 2007 to Fiscal 2008		From Fiscal 2006 to Fiscal 2007	
Total:	10	%	9	%
By geographic region:				
North America	12	%	5	%
Europe	2	%	9	%
Asia/Pacific	21	%	15	%

Net sales in North America grew 13% from fiscal 2007 to fiscal 2008 driven by growth in most of our markets, including an increase in our HPLC products and growth in sales of both RFIC instrumentation and consumables. Net sales in Europe grew 12% in reported dollars (2% net of currency fluctuations) from fiscal 2007 to fiscal 2008 reflecting a growth in IC products and a weaker U.S. dollar offset partially by softer demand in our larger life sciences customers in the second half of the fiscal year. Net sales in the Asia/Pacific region grew 24% in reported dollars (21% net of currency fluctuation) driven by continued sales force expansion and higher demand in China, Korea, India and Australia from our chemical/ petrochemical, environmental and food and beverage customers.

Sales outside North America accounted for 72% of net sales in fiscal 2008, 71% in fiscal 2007 and 69% in fiscal 2006. We sell directly through our sales forces in Austria, Australia, Benelux, Brazil, Canada, China, Denmark, France, Germany, India, Ireland, Italy, Japan, Korea, the Netherlands, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. Direct sales accounted for 93% of net sales in fiscal 2008, compared with 94% in fiscal 2007 and 90% in fiscal 2006. International distributors and representatives in Europe, Asia and other international markets accounted for the balance of net sales. There were no significant price changes during the years ended June 30, 2008, 2007 and 2006.

Net sales of IC products grew 18% from fiscal 2007 to fiscal 2008 and 14% from fiscal 2006 to fiscal 2007 driven mostly by higher demand from our environmental and industrial customers for our RFIC instrumentation, consumables and services across all major geographies.

Net sales of HPLC products grew by 8% from fiscal 2007 to fiscal 2008 driven primarily by increased sales in North America and Asia Pacific, partially offset by weaker demand in Europe in the second half of fiscal 2008. Sales of HPLC products grew 9% from fiscal 2006 to fiscal 2007 primarily as a result of our continued expansion of our global HPLC business, offset by some weakness in certain larger pharmaceutical accounts, especially in North America, and the product transition from our older Summit HPLC product line to the new Ultimate 3000 system.

### **Gross Margin**

Gross margin for fiscal 2008 was \$250.8 million compared to \$218.3 million in fiscal 2007, an increase of \$32.5 million or 15% and in 2006, gross margin was \$191.4 million. Gross margin as a percentage of sales was 66.4%, 66.7% and 65.7% in fiscal 2008, 2007 and 2006, respectively. The decrease in gross margin as a percentage of sales from fiscal 2007 to fiscal 2008 was mainly due to the weaker growth in Europe partially offset by a weaker U.S. dollar. The improvement in fiscal 2007 compared to 2006 was due to a weaker U.S. dollar and cost reduction projects. We anticipate gross margin will be approximately 66% for fiscal year 2009.

### **Operating Expenses**

*From fiscal 2007 to fiscal 2008.* From fiscal 2007 to fiscal 2008, overall operating expenses increased by 16% to \$171.5 million. The increase in expenses in fiscal 2008 as compared to fiscal 2007 was primarily attributable to the following factors:

currency fluctuations	5%
continued expansion efforts in the Asia/Pacific region	5%
increased depreciation and infrastructure expense	2%
increased salary and commission in North America	1%

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Selling, general and administrative (SG&A) expenses as a percentage of net sales were 38% in fiscal 2008 compared with 38% in fiscal 2007. SG&A expenses were \$142.6 million in fiscal 2008, an increase of 15% from \$123.5 million in fiscal 2007. Increases from fiscal 2007 to 2008 included \$6.7 million due to currency fluctuations, \$7.3 million due to our continued expansion efforts in the Asia/Pacific region which included a 17% headcount increase, \$2.4 million due to increased expense for depreciation and distributed costs attributable to capital investments and facilities and I.T. infrastructure costs, and \$1.4 million due to increased salary and commission costs attributable to increased sales in fiscal 2008 in North America.

Research and product development expenses were 7.7% of net sales in fiscal 2008 compared with 7.6% in fiscal 2007. Research and product development expenses in fiscal 2008 were \$28.9 million, an increase of \$4.2 million compared with \$24.7 million in fiscal 2007. Research and product development expenses increased by \$4.2 million due to higher product development costs associated with new HPLC, IC and ASE products introduced during fiscal 2008 and currency fluctuations.

*From fiscal 2006 to fiscal 2007.* From fiscal 2006 to fiscal 2007, overall operating expenses grew by 9%. The increase in expenses in fiscal 2007 as compared to fiscal 2006 was primarily attributable to the following factors:

currency fluctuations	3%
continued expansion efforts in the Asia/Pacific region	2%
increased expansion and infrastructure expense	2%
increased sales and marketing efforts in Europe	1%

Selling, general and administrative (SG&A) expenses as a percentage of net sales were 38% in fiscal 2007 compared with 39% in fiscal 2006. SG&A expenses were \$123.5 million in fiscal 2007, an increase of 9% from \$113.2 million in fiscal 2006. Increases in fiscal 2007 over 2006 include \$3.3 million due to currency fluctuations, \$3.0 million due to our continued expansion into the Asia/Pacific geography, \$2.5 million due to increased expense for depreciation and distributed costs attributable to capital investments and facilities and IT infrastructure costs, \$2.0 million due to increased selling and marketing efforts in Europe. The increase was partially offset by lower expenses related to our centralization initiative in North America and Europe of approximately \$785,000.

Research and product development expenses were 7.6% of net sales in fiscal 2007 compared with 7.7% in fiscal 2006. Research and product development expenses in fiscal 2007 were \$24.7 million, an increase of \$2.3 million compared with \$22.4 million in fiscal 2006. Research and product development expenses increased by approximately \$1.1 million due to higher product development costs, \$510,000 for increased salary expense and \$447,000 increase due to currency fluctuations.

### ***Interest Income***

Interest income in fiscal 2008 of \$2.2 million was higher than \$1.4 million reported for fiscal 2007 and higher than the \$1.8 million reported in fiscal 2006. The increase in fiscal 2008 from fiscal 2007 was due to higher yields on higher cash balances held outside of the U.S. The decrease from fiscal 2006 to fiscal 2007 was due to declining interest rates in the United States and Europe.

### ***Interest Expense***

Interest expense of \$878,000 in fiscal 2008 was higher than the \$335,000 in fiscal 2007 and \$185,000 fiscal 2006. The interest expense was primarily due to higher level short-term borrowings in both fiscal 2008 and 2007.

### ***Other Income (Expense), Net***

Other expense, net in fiscal 2008 was \$2.2 million, which was primarily due to losses on our derivatives related to our Japanese subsidiary and losses on foreign currency exchanges. We had other income, net in fiscal 2007 of \$183,000 and \$1.0 million in fiscal 2006.

### ***Income Taxes***

Our effective tax rate was 32.6% for fiscal 2008, 36.4% for fiscal 2007 and 39.0% for fiscal 2006. Our effective tax rate is affected by the mix of taxable income among the various tax jurisdictions in which we do business. The decrease in the effective tax rate from fiscal 2007 to fiscal 2008 was primarily due to foreign tax credits, expiration of tax exposures and mix of taxable income in our various tax jurisdictions. The decrease in the effective tax rate from fiscal 2006 to fiscal 2007 was primarily due to special tax charges recorded in fiscal 2006 related to exposure from two tax audits.

### ***Earnings per Share***

Diluted earnings per share were \$2.77, an increase of 20% compared with the \$2.31 reported for fiscal 2007 and \$1.74 in fiscal 2006. Net income for fiscal 2008 was higher due to higher revenues and lower corporate taxes.

### ***Liquidity and Capital Resources***

At June 30, 2008, we had cash and equivalents and short-term investments of \$75.7 million. Our working capital was \$106.3 million at June 30, 2008, compared with \$93.8 million at June 30, 2007.

Cash generated by operating activities was \$70.7 million in fiscal 2008, compared with \$68.5 million in fiscal 2007 and \$51.0 million in fiscal 2006. The increase in operating cash flows was due to better operating results resulting from higher revenues, higher deferred revenue and increase in accrued liabilities due to higher accrued payroll costs, partially offset by higher prepaid expenses and higher estimated tax payments. The increase in operating cash flows in fiscal 2007 as compared to fiscal 2006 was primarily due to improved operating results, increase in deferred revenue, increase in accrued liabilities and lower tax payments partially offset by higher prepaid expenses.

Cash used for investing activities was \$15.3 million in fiscal 2008 compared with \$4.0 million in fiscal 2007 and \$8.7 million in fiscal 2006. The increase of cash used in fiscal 2008 compared to 2007 was due to higher capital expenditures related to facility renovation costs in Sunnyvale, Oracle upgrade and world-wide rollout project costs, tooling costs in both Germany and Sunnyvale and the payment for accrued patent acquisition costs. Except for the world-wide Oracle upgrade that is expected to complete in fiscal 2010, other capital expenditures that attributed to the increased cash usage during fiscal 2008 are not expected to be recurring events. The decrease from fiscal 2006 to fiscal 2007 was due to lower net proceeds from sale of marketable securities in fiscal 2007, partially offset by higher capital expenditures due to expansion of our HPLC manufacturing and development facility in Germany and the acquisition of the polymer based monolithic technology from Teledyne-Isco, a subsidiary of Teledyne Technologies, Inc.

Cash used for financing activities was \$37.8 million in fiscal 2008, compared with \$52.4 million in fiscal 2007 and \$42.3 million in fiscal 2006. Financing activities for all three years consisted primarily of common stock repurchases, partially offset by proceeds from issuances of shares pursuant to and the tax benefits related to stock option plans in fiscal 2008. We repurchased 928,131 shares of our common stock for \$70.3 million in fiscal 2008, 1,185,100 shares for \$69.6 million in fiscal 2007 and 1,409,577 shares for \$73.9 million in fiscal 2006, under our repurchase program. We have 512,081 remaining shares authorized for repurchase under our repurchase programs at June 30, 2008.

At June 30, 2008, our available bank lines of credit totaled \$7.0 million, compared with \$28.5 million at June 30, 2007. We believe our cash flow from operations, our existing cash and cash equivalents and our bank lines of credit will be adequate to meet our cash requirements for at least the next 12 months. The impact of inflation on our financial position and results of operations was not significant during any of the periods presented.

**CONTRACTUAL OBLIGATIONS**

The following summarizes our contractual obligations at June 30, 2008, and the effect such obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Year	4-5 Years	After 5 Years
Short-Term Borrowings	\$21,805	\$21,805	\$–	\$–	\$–
Operating Lease Obligations	17,578	6,408	5,709	2,235	3,226
<b>Total</b>	<b>\$39,383</b>	<b>\$28,213</b>	<b>\$5,709</b>	<b>\$2,235</b>	<b>\$3,226</b>

**EFFECT OF NEW ACCOUNTING STANDARDS**

On July 1, 2007, we adopted the provisions of Financial Accounting Standards Board (“FASB”) Interpretation No. 48 (“FIN 48”), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*, which provides a financial statement recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return. Under FIN 48, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. FIN 48 also provides guidance on derecognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures. Upon adoption, we recognized a \$1.4 million charge to our beginning retained earnings as a cumulative effect of a change in accounting principle.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles* (“SFAS No. 162”). SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with accounting principles generally accepted in the United States of America for nongovernmental entities. SFAS No. 162 is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. Any effect of applying the provisions of SFAS No. 162 is to be reported as a change in accounting principle in accordance with SFAS No. 154, *Accounting Changes and Error Corrections – a replacement of APB Opinion No. 20 and FASB Statement No. 3*. The Company will adopt SFAS No. 162 once it is effective and we are currently evaluating the effect that the adoption will have on the Company’s consolidated financial statements.

In April 2008, the FASB released FASB Staff Position 142-3, *Determination of the Useful Life of Intangible Assets* (“SFAS No. 142-3”), which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets*. The intent of the statement is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141 (revised 2007) and other U.S. generally accepted accounting principles. SFAS No. 142-3 is effective as of the beginning of an entity’s fiscal year that begins after December 15, 2008, which will be the Company’s fiscal year beginning July 1, 2009. We are currently evaluating the potential impact, if any, of the adoption of SFAS No. 142-3 on the Company’s consolidated financial position, results of operations and cash flows.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (“SFAS No. 161”). SFAS No. 161 enhances financial disclosure by requiring that objectives for using derivative instruments be described in terms of underlying risk and accounting designation in the form of tabular presentation, requiring transparency with respect to the entity’s liquidity from using derivatives, and cross-referencing an entity’s derivative information within its financial footnotes. SFAS No. 161 is effective for financial statements issued for fiscal years beginning after November 15, 2008, which will be the Company’s fiscal year

beginning July 1, 2009. We are currently evaluating the impact, if any, that FAS 161 may have on its financial position or cash flows.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* (“SFAS No. 141(R)”). SFAS No. 141(R) expands the definition of a business combination and requires the fair value of the purchase price of an acquisition, including the issuance of equity securities, to be determined on the acquisition date. SFAS No. 141(R) also requires that all assets, liabilities, contingent consideration and contingencies of an acquired business be recorded at fair value at the acquisition date. In addition, SFAS No. 141(R) requires that acquisition costs generally be expensed as incurred, restructuring costs generally be expensed in periods subsequent to the acquisition date, and changes in accounting for deferred tax asset valuation allowances and acquired income tax uncertainties after the measurement period that impacts income tax expense. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008 (for Dionex, beginning with our fiscal 2010) with early adoption prohibited. We are currently evaluating the effect the implementation of SFAS No. 141(R) will have on our financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 160, *Non-controlling Interest in Consolidated Financial Statements* (“SFAS No. 160”). SFAS No. 160 amends Accounting Research Bulletin No. 51 to establish accounting and reporting standards for the non-controlling (minority) interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008 (for Dionex, beginning with our fiscal 2010). We are currently evaluating the effect that adoption of SFAS No. 160 will have on our financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (“SFAS No. 159”). SFAS No. 159 permits entities to choose, at specified election dates, to measure eligible items at fair value (or “fair value option”) and to report in earnings unrealized gains and losses on those items for which the fair value option has been elected. SFAS No. 159 also requires entities to display the fair value of those assets and liabilities on the face of the balance sheet. SFAS No. 159 establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 is effective for us as of the first quarter of fiscal 2009. We are currently evaluating the impact of this pronouncement on our financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (“SFAS No. 157”). SFAS No. 157 establishes a framework for measuring fair value and expands disclosures about fair value measurements. The changes to current practice resulting from the application of SFAS No. 157 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. Originally, SFAS No. 157 was effective for the first fiscal year beginning after November 15, 2007. However, in February 2008 the FASB released FASB Staff Position 157-2, *Effective Date of FASB Statement No. 157*, which delayed the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) until years beginning after November 15, 2008, which will be our fiscal year beginning July 1, 2009. Currently, SFAS No. 13 *Accounting for Leases*, SFAS No. 123R *Share-Based Payments*, SAB 104 *Revenue Recognition*, SOP No. 97-2 *Software Revenue Recognition*, EITF 00-21 *Revenue Arrangements with Multiple Deliverables* and ARB No. 43 *Inventory Costs* are out of the scope of SFAS No. 157. At this time, management does not believe the impact on the Company’s financial statements will be material.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

*Summary.* The preparation of consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. We evaluate our estimates, including those related to product returns and allowances, bad debts, inventory valuation, goodwill and other intangible assets, income taxes, warranty and installation provisions, and contingencies, on an on-going basis.

We base our estimates on historical experience and on various other assumptions that are believed 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. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

*Revenue Recognition Policy.* We derive revenues from the sale of products and the delivery of services to our customers, including installation, training, time and material repairs, and maintenance, which consists of product repair obligations, telephone support, and/or unspecified software upgrades.

We recognize revenue in accordance with Staff Accounting Bulletin No. 104, *Revenue Recognition*, and Statement of Position 97-2, *Software Revenue Recognition*, as amended, when persuasive evidence of an arrangement exists, the product has been delivered, or service performed, the price is fixed or determinable, collection is probable and vendor specific objective evidence or objective reliable evidence of fair value, as applicable, exists to allocate revenue to the various elements of the arrangement. In all cases, the portion of revenue allocated to the undelivered elements is deferred until those items are delivered to the customer or the services are performed. Delivery of the product is generally considered to have occurred when shipped. Undelivered elements in our sales arrangements, which are not considered to be essential to the functionality of a product, generally include maintenance, installation services and/or training that are delivered after the related products have been delivered. Installation consists of system set-up, calibration and basic functionality training and generally requires one to three days depending on the product. Fair value for training services is based on the price charged when the element is sold separately or, if not sold separately, when the price is established by authorized management. The fair value of installation services is calculated by applying standard service billing rates to the estimate of the number of hours to install a specific product based on historical experience. These estimated hours for installation have historically been accurate and consistent from product to product. However, to the extent these estimates were to reflect unfavorable variability, our ability to maintain objective reliable evidence of fair value for such element could be impacted which in turn could delay the recognition of the revenue currently allocated to the delivered elements.

Prior to fiscal 2008, the fair value of maintenance contracts was based on the price charged when an element was sold separately or, if not yet sold separately, when the price was established by authorized management. Maintenance fees were recognized ratably over the period of the related maintenance contracts, which ranged from one to two years. Maintenance consisted of product repair obligations, telephone support, and/or unspecified software upgrades. Effective July 1, 2007, unspecified software upgrades are no longer provided with our maintenance contracts. As such, revenue from separately priced extended maintenance contracts is deferred and recognized in income on a straight-line basis over the contract period, in accordance with FTB 90-1, *Accounting for Separately Priced Extended Warranty and Product Maintenance Contracts*.

Our sales are typically not subject to rights of return and, historically, actual sales returns have not been significant. The ability to maintain fair value for undelivered elements and other judgments may affect our reported revenues.

*Product Warranty.* Our equipment typically includes a one-year warranty. The estimated cost of product warranty claims is accrued at the time the sale is recognized, based on historical experience. While we believe our historical experience provides a reliable basis for estimating such warranty cost, unforeseen quality issues or component failure rates could result in future costs in excess of such estimates, or alternatively, improved quality and reliability in our products could result in actual expenses that are below those currently estimated.

*Loss Provisions on Accounts Receivable and Inventory.* We maintain allowances for doubtful accounts for estimated losses resulting from the inability of customers to make required payments. If the financial condition of any of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. We assess collectability based on a number of factors including, but not limited to, past transaction history with the customer, the credit-worthiness of the customer, independent credit reports, industry trends and the macro-economic environment. Sales returns and allowances are estimates of future product returns related to current period revenue. Material differences may result in the amount and timing of our revenue for any period. Historically, we have not experienced significant sales returns or bad debt losses.

We value our inventory at the lower of standard cost (which approximates cost on a first-in, first-out basis) or market. Our estimated valuation provisions on inventory are based on technical obsolescence, historical demand, projections of future demand and industry and market conditions. If actual future demand or market conditions are less favorable than those projected by management, additional valuation provisions may be required. If demand or market conditions are more favorable than projected, higher margins could be realized to the extent inventory is sold which had previously been written down.

*Long-Lived Assets, Intangible Assets with Finite Lives and Goodwill.* We assess for the impairment of long-lived assets, intangible assets with finite lives and goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In addition, we assess goodwill for impairment at least annually. Factors we consider important which could trigger an impairment review include but are not limited to the following:

- significant underperformance relative to historical or projected future operating results;
- significant negative industry or economic trends; and
- significant changes or developments in strategic technology.

When we determine that the carrying value of long-lived assets and intangible assets with finite lives may not be recoverable based upon the existence of one or more of the above or other indicators, we measure any impairment based on a projected discounted cash flow method using a discount rate determined by our management to be commensurate with the risk inherent in our current business model. Goodwill is tested for impairment by comparing the fair values of related reporting units to their carrying values. We are required to perform an impairment review for goodwill at least annually.

*Taxes on Income.* As part of the process of preparing the consolidated financial statements, we estimate our income taxes in each of the jurisdictions in which we operate. The determination of our tax provision is subject to judgments and estimates due to the complexity of the tax laws that we are subject to in several tax jurisdictions. This process involves our estimate of our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as depreciation, amortization and inventory reserves for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included with our consolidated balance sheets.

We account for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes* (“SFAS No. 109”). SFAS No. 109 requires that deferred tax assets and liabilities be recognized for the effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. SFAS No. 109 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some or all of the deferred tax asset will not be realized.

On July 1, 2007, we adopted FIN No. 48, *Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109*, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements in accordance with SFAS No. 109. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. As a result of the implementation of FIN No. 48, we recognize the tax liability for uncertain income tax positions on the income tax return based on the two-step process prescribed in the interpretation. The first step is to determine whether it is more likely than not that each income tax position would be sustained upon audit. The second step is to estimate and measure the tax benefit as the amount that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority. Estimating these amounts requires us to determine the probability of various possible outcomes. We evaluate these uncertain tax positions on a quarterly basis. This evaluation is based on the consideration of several factors, including changes in facts or circumstances, changes in applicable tax law, settlement of issues under audit, and new exposures. If we later determine that our exposure is lower or that the liability is not sufficient to cover our revised expectations, we adjust the liability and effect a related change in our tax provision during the period in which we make such determination.

*Stock-Based Compensation.* SFAS No. 123 (Revised 2004), *Share-Based Payment* (SFAS No. 123R) requires that all share-based payments to employees be recognized in the statements of operations based on their



fair value. We have used the Black-Scholes model to determine the fair value of our stock option awards. Under the fair value recognition provisions of this statement, share-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting periods. Determining the fair value of share-based awards at the grant date required judgment, including estimating stock price volatility and employee stock options exercise behaviors. If actual results differ significantly from these estimates, stock-based compensation expense recognized in our results of operations could be materially affected. As stock-based compensation expense recognized in the consolidated statements of operations is based on awards that ultimately are expected to vest, the amount of the expense has been reduced for estimated forfeitures. SFAS No. 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience. If factors change and we employ different assumptions in the application of SFAS No. 123R, the compensation expense that we record in the future periods may differ significantly from what we have recorded in the current period.

**Item 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

We are exposed to financial market risks from fluctuations in foreign currency exchange rates, interest rates and stock prices of marketable securities. With the exception of the stock price volatility of our marketable equity securities, we manage our exposure to these and other risks through our regular operating and financing activities and, when appropriate, through our hedging activities. Our policy is not to use hedges or other derivative financial instruments for speculative purposes. We deal with a diversified group of major financial institutions to limit the risk of nonperformance by any one institution on any financial instrument. Separate from our financial hedging activities, material changes in foreign exchange rates, interest rates and, to a lesser extent, commodity prices could cause significant changes in the costs to manufacture and deliver our products and in customers' buying practices. We have not substantially changed our risk management practices during fiscal 2008 and we do not currently anticipate significant changes in financial market risk exposures in the near future that would require us to change our current risk management practices.

We enter into standard indemnification agreements with many of our customers and certain other business partners in the ordinary course of business. These agreements include provisions for indemnifying the customer against any claim brought by a third party to the extent any such claim alleges that our product infringes a patent, copyright or trademark, or violates any other proprietary rights of that third party. The maximum potential amount of future payments we could be required to make under these indemnification agreements is not estimable, however, we have not incurred any costs to defend lawsuits or settle claims related to these indemnification agreements. No material claims for such indemnifications were outstanding as of June 30, 2008. We have not recorded any liabilities for these indemnification agreements at June 30, 2008 or 2007.

*Foreign Currency Exchange.* Revenues generated from international operations are generally denominated in foreign currencies. We entered into forward foreign exchange contracts to hedge against fluctuations of intercompany account balances. Market value gains and losses on these hedge contracts are substantially offset by fluctuations in the underlying balances being hedged, and the net financial impact is not expected to be material in future periods. At June 30, 2008, we had forward exchange contracts to sell foreign currencies totaling \$19.0 million, including approximately \$12.4 million in Euros, \$3.8 million in Japanese yen, \$1.7 million in Australian dollars and \$1.1 million in Canadian dollars. At June 30, 2007, we had forward exchange contracts to sell foreign currencies totaling \$10.5 million, including approximately \$4.5 million in Euros, \$3.5 million in Japanese yen, \$1.2 million in Australian dollars and \$1.3 million in Canadian dollars. The foreign exchange contracts at the end of each fiscal year mature within the first quarter of the following fiscal year. Additionally, contract values and fair market values are the same.

In March 2007, we entered into a \$10.0 million cross-currency swap arrangement for Japanese yen that matures in March 2010 and functions as a cash flow hedge of the US dollar/Japanese yen exchange rate exposure of the Company's net investment in its Japanese subsidiary. This derivative instrument, did not qualify for net investment hedge accounting and was deemed to be an ineffective hedge instrument because, at the inception of the hedge transaction, there was no formal documentation of the hedging relationship and our risk management objective and strategy for undertaking the hedge. Therefore, we marked to market the decrease in value of approximately \$1.0 million for the six months ended December 31, 2007 and this amount was recorded in other

income (expense), net. In January 2008, we completed our formal documentation of the hedging relationship and determined that the cross-currency swap qualified as a net investment hedge. As a result, during the six months ended June 30, 2008, we marked to market \$0.6 million in unrealized losses associated with the hedge, which is reported in accumulated other comprehensive income as part of the foreign currency translation adjustment.

A sensitivity analysis assuming a hypothetical 10% movement in foreign currency exchange rates applied to our hedging contracts and underlying balances being hedged at June 30, 2008 and 2007 indicated that these market movements would not have a material effect on our business, operating results or financial condition.

Foreign currency rate fluctuations can impact the U.S. dollar translation of our foreign operations in our consolidated financial statements. Currency fluctuations increased sales by 5% in fiscal 2008, 3% in fiscal 2007 and decreased sales by 3% in fiscal 2006.

*Interest and Investment Income.* Our interest and investment income is subject to changes in the general level of U.S. interest rates. Changes in U.S. interest rates affect the interest earned on our cash equivalents and short-term investments. A sensitivity analysis assuming a hypothetical 10% movement in interest rates applied to our investment balances at June 30, 2008 and 2007 indicated that such market movement would not have a material effect on our business, operating results or financial condition. Actual gains or losses in the future may differ materially from this analysis, depending on our actual balances and changes in the timing and amount of interest rate movements.

*Debt and Interest Expense.* At June 30, 2008, we had short-term notes payable of \$21,805,000. A sensitivity analysis assuming a hypothetical 10% movement in interest rates applied to our outstanding debt balance at June 30, 2008, indicated that such market movement would not have a material effect on our business, operating results or financial condition. Actual gains or losses in the future may differ materially from this analysis, depending on changes in the timing and amount of interest rate movements and the level of borrowings maintained by us.

**Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Dionex Corporation:

We have audited the accompanying consolidated balance sheets of Dionex Corporation and subsidiaries (collectively, the "Company") as of June 30, 2008 and 2007, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended June 30, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Dionex Corporation and subsidiaries at June 30, 2008 and 2007, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, on July 1, 2007 the Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of June 30, 2008, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 29, 2008, expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

San Jose, California  
August 29, 2008

**DIONEX CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**AT JUNE 30**

	<u>2008</u>	<u>2007</u>
	(In thousands, except share and per share amounts)	
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$75,624	\$54,938
Short-term investments	77	124
Accounts receivable (net of allowance for doubtful accounts of \$524 in 2008 and \$610 in 2007)	74,436	65,990
Inventories	31,627	28,626
Deferred taxes	11,534	9,402
Prepaid expenses and other current assets	13,742	12,113
Total current assets	<u>207,040</u>	<u>171,193</u>
Property, plant and equipment, net	72,335	62,366
Goodwill	26,670	25,443
Intangible assets, net	6,463	6,955
Other assets	17,922	6,231
	<u>\$330,430</u>	<u>\$272,188</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable	\$21,805	\$231
Accounts payable	16,086	12,293
Accrued liabilities	32,211	30,329
Deferred revenues	21,352	18,617
Income taxes payable	5,873	13,068
Accrued product warranty	3,444	2,875
Total current liabilities	<u>100,771</u>	<u>77,413</u>
Deferred and other income taxes payable	27,013	5,479
Other long-term liabilities	5,897	3,588
Commitments and other contingencies (Note 13)		
Stockholders' equity:		
Preferred stock (par value \$.001 per share; 1,000,000 shares authorized; none outstanding)	-	-
Common stock (par value \$.001 per share; 80,000,000 shares authorized; shares outstanding: 18,130,713 in 2008 and 18,845,802 in 2007)	170,045	161,409
Retained earnings	2,582	13,223
Accumulated other comprehensive income	24,122	11,076
Total stockholders' equity	<u>196,749</u>	<u>185,708</u>
	<u>\$330,430</u>	<u>\$272,188</u>

See notes to consolidated financial statements.

**DIONEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**YEAR ENDED JUNE 30**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
	(In thousands, except per share amounts)		
Net sales	\$377,538	\$327,284	\$291,300
Cost of sales	<u>126,756</u>	<u>109,015</u>	<u>99,857</u>
Gross profit	250,782	218,269	191,443
Operating expenses:			
Selling, general and administrative	142,545	123,525	113,241
Research and product development	<u>28,943</u>	<u>24,737</u>	<u>22,392</u>
Total operating expenses	<u>171,488</u>	<u>148,262</u>	<u>135,633</u>
Operating income	79,294	70,007	55,810
Interest income	2,212	1,435	1,874
Interest expense	(878 )	(335 )	(184 )
Other income (expense), net	<u>(2,230 )</u>	<u>183</u>	<u>1,013</u>
Income before taxes	78,398	71,290	58,513
Taxes on income	<u>25,598</u>	<u>25,968</u>	<u>22,820</u>
Net income	<u>\$52,800</u>	<u>\$45,322</u>	<u>\$35,693</u>
Basic earnings per share	<u>\$2.85</u>	<u>\$2.37</u>	<u>\$1.78</u>
Diluted earnings per share	<u>\$2.77</u>	<u>\$2.31</u>	<u>\$1.74</u>
Shares used in computing earnings per share:			
Basic	18,506	19,136	20,013
Diluted	19,072	19,615	20,527

See notes to consolidated financial statements.

**DIONEX CORPORATION**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME**

	<u>Common Stock</u>		<u>Retained</u>	<u>Accumulated</u>		<u>Comprehensive</u>
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>	<u>Other</u>	<u>Total</u>	<u>Income</u>
	(In thousands, except for share amounts)					
Balance, June 30, 2005	<u>20,161,092</u>	<u>\$120,359</u>	<u>\$57,451</u>	<u>\$5,239</u>	<u>\$183,049</u>	
Comprehensive income, net of tax:						
Net income			35,693		35,693	\$35,693
Foreign currency translation adjustments (net of tax of \$233)				3,319	3,319	3,319
Unrealized gain on securities				21	21	21
Comprehensive income						<u>\$39,033</u>
Common stock issued under employee stock-based compensation plans	873,324	25,438			25,438	
Repurchase of common stock	(1,409,577)	(9,328)	(64,555)		(73,883)	
Stock-based compensation expense		5,610			5,610	
Tax benefit from employee stock transactions		6,135			6,135	
Balance, June 30, 2006	<u>19,624,839</u>	<u>148,214</u>	<u>28,589</u>	<u>8,579</u>	<u>185,382</u>	
Comprehensive income, net of tax:						
Net income			45,322		45,322	\$45,322
Foreign currency translation adjustments (net of tax of \$1,582)				2,470	2,470	2,470
Unrealized gain on securities				27	27	27
Comprehensive income						<u>\$47,819</u>
Common stock issued under employee stock-based compensation plans	406,063	13,517			13,517	
Repurchase of common stock	(1,185,100)	(8,904)	(60,688)		(69,592)	
Stock-based compensation expense		5,125			5,125	
Tax benefit from employee stock transactions		3,457			3,457	
Balance, June 30, 2007	<u>18,845,802</u>	<u>161,409</u>	<u>13,223</u>	<u>11,076</u>	<u>185,708</u>	
Comprehensive income, net of tax:						
Net income			52,800		52,800	\$52,800
Foreign currency translation adjustments (net of tax of \$6,308)				13,042	13,042	13,042
Unrealized gain on securities				4	4	4
Comprehensive income						<u>\$65,846</u>
Common stock issued under employee stock-based compensation plans	213,042	9,143			9,143	
Repurchase of common stock	(928,131)	(8,278)	(62,019)		(70,297)	
Stock-based compensation expense		5,939			5,939	
Tax benefit from employee stock transactions		1,832			1,832	
Adoption of FIN 48 – cumulative effect			(1,422)		(1,422)	
Balance, June 30, 2008	<u>18,130,713</u>	<u>\$170,045</u>	<u>\$2,582</u>	<u>\$24,122</u>	<u>\$196,749</u>	

See notes to consolidated financial statements.

**DIONEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
	(In thousands)		
<b>Cash flows from operating activities:</b>			
Net income	\$52,800	\$45,322	\$35,693
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation and amortization	8,767	8,544	6,514
Stock-based compensation	5,939	5,125	5,572
Allowance for bad debts	(232 )	(45 )	(315 )
Loss on disposal of fixed assets	543	422	538
Tax benefit related to stock transactions	(1,832 )	(3,457 )	(6,135 )
Deferred income taxes	(944 )	443	78
<b>Changes in assets and liabilities:</b>			
Accounts receivable	(1,321 )	(1,129 )	(6,036 )
Inventories	1,688	407	(276 )
Prepaid expenses and other assets	(725 )	(6,332 )	214
Accounts payable	1,506	2,694	(797 )
Deferred revenue	2,398	3,594	2,518
Accrued liabilities	4,709	4,431	2,097
Income taxes payable	(2,895 )	9,206	11,439
Accrued product warranty	290	(714 )	(104 )
<b>Net cash provided by operating activities</b>	<u>70,691</u>	<u>68,511</u>	<u>51,000</u>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of marketable securities	124	9,700	39,096
Purchase of short term investments	(77 )	-	-
Purchase of marketable securities	-	(2,600 )	(35,050)
Purchase of property, plant and equipment	(13,847)	(9,388 )	(9,742 )
Purchase of intangible assets	(2,071 )	(1,723 )	(3,005 )
Acquisition, net of cash acquired	543	-	-
Other	-	(26 )	(38 )
<b>Net cash used for investing activities</b>	<u>(15,328)</u>	<u>(4,037 )</u>	<u>(8,739 )</u>
<b>Cash flows from financing activities:</b>			
Net change in notes payable	21,506	231	-
Proceeds from issuance of common stock	9,143	13,517	25,438
Repayments of capital lease obligations	(58 )	-	-
Tax benefit related to stock transactions	1,832	3,457	6,135
Repurchase of common stock	(70,297)	(69,592)	(73,883)
<b>Net cash used for financing activities</b>	<u>(37,874)</u>	<u>(52,387)</u>	<u>(42,310)</u>
Effect of exchange rate changes on cash	3,197	(673 )	894
<b>Net increase in cash and equivalents</b>	<u>20,686</u>	<u>11,414</u>	<u>845</u>
Cash and equivalents, beginning of year	54,938	43,524	42,679
<b>Cash and cash equivalents, end of year</b>	<u>\$75,624</u>	<u>\$54,938</u>	<u>\$43,524</u>
<b>Supplemental disclosures of cash flow information:</b>			
Income taxes paid	\$31,162	\$21,349	\$9,289
Interest expense paid	\$790	\$162	\$71
<b>Supplemental schedule of non-cash investing and financing activities:</b>			
Accrued purchases of property, plant and equipment	\$1,563	\$219	\$162
Accrued purchase of business consideration	\$-	\$2,000	\$-
<b>Effect of adoption of FIN 48:</b>			
Cumulative effect on retained earnings	\$1,422	\$-	\$-
Increase in deferred and other income taxes payable	\$16,033	\$-	\$-
Increase in other assets	\$11,409	\$-	\$-
Decrease in income taxes payable	\$3,202	\$-	\$-



Capital lease obligation for equipment purchases

\$487

\$-

\$-

See notes to consolidated financial statements.

**DIONEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – SIGNIFICANT ACCOUNTING POLICIES**

*Organization.* Dionex Corporation is a leading manufacturer and marketer of chromatography systems for chemical analysis. Our systems are used in environmental analysis and by the pharmaceutical, life sciences, chemical/petrochemical, power generation, and food and electronics industries in a variety of applications. Unless the context otherwise requires, the terms “Dionex,” “we,” “our” and “us” and words of similar import as used in these notes to consolidated financial statements include Dionex Corporation and its consolidated subsidiaries.

*Principles of Consolidation.* The consolidated financial statements include Dionex Corporation and its consolidated subsidiaries. All significant wholly-owned intercompany transactions and accounts are eliminated in consolidation.

*Certain Risks and Uncertainties.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from those estimates.

Financial instruments which potentially subject us to concentrations of credit risk consist principally of investments and trade receivables. We invest in high-grade instruments which we place for safekeeping with high quality financial institutions. We sell our products primarily to large organizations in diversified industries worldwide. Credit risk is further mitigated by our credit evaluation process and the reasonably short collection terms. We do not require collateral or other security to support accounts receivable and we maintain allowances for potential credit losses.

We are subject to certain risks and uncertainties and believe that changes in any of the following areas could have a material adverse effect on our future financial position or results of operations. Such factors include, among others: the continuation or spread of economic uncertainties; risks related to international operations, including foreign currency fluctuations; the importance of meeting customer demand for new products; competition in the analytical instrumentation market; our ability to maintain inventories; the importance of attracting and retaining key personnel; our ability to protect our proprietary information and acceptance of new products.

*Cash Equivalents.* We consider all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. We place our cash, cash equivalents and marketable debt securities with high-credit quality financial institutions and to date, we have not experienced credit losses on investments in these instruments.

*Short-Term Investments.* We classify our debt and equity securities as “held to maturity” or “available for sale.” Securities classified as “held to maturity” are reported at amortized cost and “available for sale” securities are reported at fair market value, with a corresponding recognition of the unrealized gains and losses (net of tax effect) as a separate component of stockholders’ equity. Our investments in marketable debt securities have been classified as “available for sale.”

*Inventories.* Inventories are stated at the lower of standard cost or market (cost approximates first-in, first-out method). We write down product inventory based on forecasted demand and technological obsolescence and parts inventory based on past usage. These factors are impacted by market and economic conditions, technology changes, new product introductions and changes in strategic direction and require estimates that may include uncertain elements. Actual demand may differ from forecasted demand and such differences may have a material effect on recorded inventory values. In addition, when the inventory carrying value exceeds the market estimated value, we write-down the value of the inventory for the difference between the cost and the estimated market value. These write-downs are determined based on management’ s estimates. Inventories consist of finished goods, work-in-process and raw materials.

**DIONEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

*Property, Plant and Equipment.* Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method based on estimated useful lives of 3 to 30 years. Leasehold improvements are amortized over the lesser of the useful life or the remaining term of the lease.

*Purchased Technology and Goodwill.* Purchased technology amounts are recorded at their fair market values as of the date of acquisition and amortized over their estimated useful lives of up to ten years. Identifiable intangible assets are recognized separately from goodwill if certain criteria are met and those assets are amortized over their estimated useful economic life. Goodwill is not amortized but is tested for impairment as required. We test goodwill for impairment in April each year and more often if circumstances indicate that goodwill may be impaired. If impaired, a charge is recorded in income from operations. We found no impairment as a result of our fiscal 2008 and 2007 annual impairment tests performed in April of each year.

*Valuation of Long Lived Assets.* The carrying value of our long-lived assets is reviewed for impairment whenever events or changes in circumstances indicated that an asset may not be recoverable. We look to current and future profitability, as well as current and future undiscounted cash flows, as primary indicators of recoverability. If impairment is determined to exist, any related impairment loss is calculated based on the amount by which the carrying value of the asset exceeds the fair value of the asset with fair value determined on a discounted cash flow basis.

*Revenue Recognition.* We derive revenues from the sale of products and the delivery of services to our customers, including installation, training, time and material repairs, and maintenance, which consists of product repair obligations, telephone support, and/or unspecified software upgrades.

We recognize revenue in accordance with Staff Accounting Bulletin No. 104, *Revenue Recognition*, and Statement of Position 97-2, *Software Revenue Recognition*, as amended, when persuasive evidence of an arrangement exists, the product has been delivered, or service performed, the price is fixed or determinable, collection is probable and vendor specific objective evidence or objective reliable evidence of fair value, as applicable, exists to allocate revenue to the various elements of the arrangement. In all cases, the portion of revenue allocated to the undelivered elements is deferred until those items are delivered to the customer or the services are performed. Delivery of the product is generally considered to have occurred when shipped. Undelivered elements in our sales arrangements, which are not considered to be essential to the functionality of a product, generally include maintenance, installation services and/or training that are delivered after the related products have been delivered. Installation consists of system set-up, calibration and basic functionality training and generally requires one to three days depending on the product. Fair value for training services is based on the price charged when the element is sold separately or, if not sold separately, when the price is established by authorized management. The fair value of installation services is calculated by applying standard service billing rates to the estimate of the number of hours to install a specific product based on historical experience. These estimated hours for installation have historically been accurate and consistent from product to product. However, to the extent these estimates were to reflect unfavorable variability, our ability to maintain objective reliable evidence of fair value for such element could be impacted which in turn could delay the recognition of the revenue currently allocated to the delivered elements.

Prior to fiscal 2008, the fair value of the maintenance contracts was based on the price charged when an element was sold separately or, if not yet sold separately, when the price was established by authorized management. Maintenance fees were recognized ratably over the period of the related maintenance contracts, which ranged from one to two years. Maintenance consists of product repair obligations, telephone support, and/or unspecified software upgrades. Effective July 1, 2007, unspecified software upgrades are no longer provided with our maintenance contracts. As such, revenue from separately priced extended maintenance contracts is deferred and recognized in income on a straight-line basis over the contract period, in accordance with FTB 90-1, *Accounting for Separately Priced Extended Warranty and Product Maintenance Contracts*.

Our sales are typically not subject to rights of return and, historically, actual sales returns have not been significant. We sell our products through our direct sales force and through distributors and resellers. Sales through

**DIONEX CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

distributors and resellers are recognized as revenue upon sale to the distributor or reseller as these sales are considered to be final and no right of return or price protection exists. Customer acceptance is generally limited to performance under our published product specifications. When additional customer acceptance conditions apply, all revenue related to the sale is deferred until acceptance is obtained.

*Product Warranty.* Our equipment typically includes a one-year warranty. The estimated cost of product warranty claims is accrued at the time the sale is recognized, based on historical experience. While we believe our historical experience provides a reliable basis for estimating such warranty cost, unforeseen quality issues or component failure rates could result in future costs in excess of such estimates, or alternatively, improved quality and reliability in our products could result in actual expenses that are below those currently estimated.

*Reclassifications.* Certain reclassifications have been made of amounts previously reported to conform to the current year presentation. Such reclassifications consist of increases in the current portion of deferred tax assets and non-current portion of deferred tax liabilities as of June 30, 2007 on the consolidated balance sheet, separate line disclosure for construction-in-progress in Note 5, and separate line disclosure of the book/tax amortization of intangibles in the table of current and non-current deferred tax assets and liabilities at June 30, 2007, included in Note 12.

*Stock-based Compensation Plans.* We follow Statement of Financial Accounting Standards (“SFAS”) No. 123 (revised 2004) *Share-Based Payment* (SFAS No. 123R), which requires companies to measure the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. We have elected to use the modified prospective transition method such that SFAS No. 123R applies to new awards and to awards modified, repurchased or canceled after the effective date. We have a stock-based employee compensation plan and an employee stock purchase plan. Generally, stock options granted to employees fully vest four years from the grant date and have a term of ten years. For options granted beginning on July 1, 2006, we recognize stock-based compensation expense over the requisite service period of the individual grants, generally, equal to the vesting period.

Also, SFAS No. 123R required the benefits of tax deductions in excess of the tax-effected compensation that would have been recognized as if we had always accounted for our stock-based award activity under SFAS No. 123R to be reported as a cash flow from financing activities, rather than as a cash flow from operating activities.

We elected to adopt the alternative transition method provided in the FSP 123R-3 for calculating the tax effects of stock-based compensation pursuant to SFAS No. 123R. The alternative transition method includes simplified methods to establish the beginning balance of the additional paid-in-capital (“APIC pool”) related to the tax effects of employee stock-based compensation, and to determine the subsequent impact on the APIC pool and Consolidated Statements of Cash Flows of the tax effects of employee stock-based compensation awards that are outstanding upon adoption of SFAS No. 123R.

The following table shows total stock-based compensation expense included in the Consolidated Statements of Income for the years ended June 30, 2008, 2007 and 2006 (in thousands):

	Year Ended June 30, 2008	Year Ended June 30, 2007	Year Ended June 30, 2006
Cost of sales	\$602	\$393	\$372
Selling, general and administrative expenses	3,847	3,494	3,832
Research and product development expenses	1,490	1,238	1,368
Tax benefit	(1,919 )	(1,542 )	(1,751 )
<b>Total</b>	<b><u>\$4,020</u></b>	<b><u>\$3,583</u></b>	<b><u>\$3,821</u></b>

*Common Stock Repurchases.* We repurchase shares in the open market under our ongoing stock repurchase program. For each share repurchased, we reduce the common stock account by the average value per share reflected

**DIONEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

in the account prior to the repurchase with the excess allocated to retained earnings. We currently retire all shares upon repurchase.

During fiscal 2008, we repurchased 928,131 shares of our common stock on the open market for \$70.3 million (an average of \$75.74 per share), compared with 1,185,100 shares repurchased for \$69.6 million (an average of \$58.72 per share) for fiscal 2007 and 1,409,577 shares repurchased for \$73.9 million (an average of \$52.41 per share) for fiscal 2006.

*Translation of Foreign Currency.* Our foreign operations are measured using local currencies as the functional currency. Assets and liabilities are translated into U.S. dollars at year-end rates of exchange, and results of operations are translated at average rates for the year. Translation adjustments are included in stockholders' equity as accumulated other comprehensive income/(loss).

*Derivative Securities.* Derivative instruments, including certain derivative instruments embedded in other contracts, are recorded on the consolidated balance sheet at their fair value as required by SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. We formally document, designate and assess the effectiveness of transactions that receive hedge accounting. The changes in fair value of an ineffective portion of a hedge instrument are included in earnings through a credit or charge to other income/expense.

We enter into foreign exchange forward contracts with high quality financial institutions to manage our exposure to the impact of fluctuations in foreign currency exchange rates on our intercompany receivables balances. These contracts generally have maturities of approximately 30 days and require us to exchange foreign currencies for U.S. dollars at maturity. We have not designated these contracts as hedging instruments. The contracts are recorded at fair value on the consolidated balance sheet. Changes in the fair values of these derivative instruments are recognized in earnings in the period they occur.

At June 30, 2008, we had forward exchange contracts to sell foreign currencies totaling \$19.0 million, including approximately \$12.4 million in Euros, \$3.8 million in Japanese yen, \$1.7 million in Australian dollars and \$1.1 million in Canadian dollars. At June 30, 2007, we had forward exchange contracts to sell foreign currencies totaling \$10.5 million, including approximately \$4.5 million in Euros, \$3.5 million in Japanese yen, \$1.2 million in Australian dollars and \$1.3 million in Canadian dollars. At June 30, 2008 and 2007, the aggregate unrealized gains or losses on the forward exchange contracts were not material.

In March 2007, we entered into a \$10.0 million cross-currency swap arrangement for Japanese Yen which matures in March 2010 and functions as a cash flow hedge of the US dollar/Japanese yen exchange rate exposure of the Company's net investment in its Japanese subsidiary. Until January 1, 2008, this derivative instrument did not qualify for net investment hedge accounting and was deemed to be an ineffective hedge instrument because, at the inception of the hedge transaction, there was no formal documentation of the hedging relationship and our risk management objective and strategy for undertaking the hedge. Therefore, we marked to market the decrease in value of approximately \$1.0 million for the six months ended December 31, 2007 and this amount was recorded in other expense, net. In January 2008, we determined that the cross-currency swap qualified as a net investment hedge. As a result, during the six months ended June 30, 2008, we marked to market \$0.6 million in unrealized losses on our derivative contract related to our Japanese subsidiary, which is reported in accumulated other comprehensive income as part of the foreign currency translation adjustment in Other Comprehensive Income under Accumulated Translation Adjustment. On a quarterly basis, we evaluate the need to redesignate the hedging relationship. We determined that redesignation of the hedging relationship as of June 30, 2008 was not necessary.

*Comprehensive Income.* We are required to report comprehensive income in the financial statements, in addition to net income. The primary differences between net income and comprehensive income are foreign

## DIONEX CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

currency translation adjustments and net unrealized gains or losses on available for sale securities. At June 30, 2008, 2007 and 2006, the components of accumulated other comprehensive income were as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
	(In thousands)		
Foreign currency translation adjustments	\$24,118	\$11,075	\$8,605
Unrealized gain/(loss) on securities available for sale, net	<u>4</u>	<u>1</u>	<u>(26 )</u>
	<u>\$24,122</u>	<u>\$11,076</u>	<u>\$8,579</u>

*Recently Adopted Accounting Pronouncement.* On July 1, 2007, we adopted the provisions of Financial Accounting Standards Board (“FASB”) Interpretation No. 48 (“FIN 48”), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*, which provides a financial statement recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return. Under FIN 48, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. FIN 48 also provides guidance on derecognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures. Upon adoption, we recognized a \$1.4 million charge to our beginning retained earnings as a cumulative effect of a change in accounting principle. See Note 12 – Income Taxes.

*Recent Accounting Pronouncements Not Yet Adopted.* In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles* (“SFAS No. 162”). SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with accounting principles generally accepted in the United States of America for nongovernmental entities. SFAS No. 162 is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. Any effect of applying the provisions of SFAS No. 162 is to be reported as a change in accounting principle in accordance with SFAS No. 154, *Accounting Changes and Error Corrections – a replacement of APB Opinion No. 20 and FASB Statement No. 3*. The Company will adopt SFAS No. 162 once it is effective and we are currently evaluating the effect that the adoption will have on the Company’s consolidated financial statements.

In April 2008, the FASB released FASB Staff Position 142-3, *Determination of the Useful Life of Intangible Assets* (“SFAS No. 142-3”), which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets*. The intent of the statement is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141 (revised 2007) and other U.S. generally accepted accounting principles. SFAS No. 142-3 is effective as of the beginning of an entity’s fiscal year that begins after December 15, 2008, which will be the Company’s fiscal year beginning July 1, 2009. We are currently evaluating the potential impact, if any, of the adoption of SFAS No. 142-3 on the Company’s consolidated financial position, results of operations and cash flows.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (“SFAS No. 161”). SFAS No. 161 enhances financial disclosure by requiring that objectives for using derivative instruments be described in terms of underlying risk and accounting designation in the form of tabular presentation, requiring transparency with respect to the entity’s liquidity from using derivatives, and cross-referencing an entity’s derivative information within its financial footnotes. SFAS No. 161 is effective for financial statements issued for fiscal years beginning after November 15, 2008, which will be the Company’s fiscal year beginning July 1, 2009. We are currently evaluating the impact, if any, that SFAS No. 161 may have on its financial position or cash flows.

**DIONEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* (“SFAS No. 141(R)”). SFAS No. 141(R) expands the definition of a business combination and requires the fair value of the purchase price of an acquisition, including the issuance of equity securities, to be determined on the acquisition date. SFAS No. 141(R) also requires that all assets, liabilities, contingent consideration and contingencies of an acquired business be recorded at fair value at the acquisition date. In addition, SFAS No. 141(R) requires that acquisition costs generally be expensed as incurred, restructuring costs generally be expensed in periods subsequent to the acquisition date, and changes in accounting for deferred tax asset valuation allowances and acquired income tax uncertainties after the measurement period that impacts income tax expense. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008 (for Dionex, beginning with our fiscal 2010) with early adoption prohibited. We are currently evaluating the effect the implementation of SFAS No. 141(R) will have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Non-controlling Interest in Consolidated Financial Statements*. This Statement amends Accounting Research Bulletin No. 51 to establish accounting and reporting standards for the non-controlling (minority) interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008 (for Dionex, beginning with our fiscal 2010). We are currently evaluating the effect that adoption of SFAS No. 160 will have on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (“SFAS No. 159”). SFAS No. 159 permits entities to choose, at specified election dates, to measure eligible items at fair value (or “fair value option”) and to report in earnings unrealized gains and losses on those items for which the fair value option has been elected. SFAS No. 159 also requires entities to display the fair value of those assets and liabilities on the face of the balance sheet. SFAS No. 159 establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 is effective for us as of the first quarter of fiscal 2009. We are currently evaluating the impact of this pronouncement on our consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (“SFAS No. 157”). SFAS No. 157 establishes a framework for measuring fair value and expands disclosures about fair value measurements. The changes to current practice resulting from the application of SFAS No. 157 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. Originally, SFAS No. 157 was effective for the first fiscal year beginning after November 15, 2007. However, in February 2008 the FASB released FASB Staff Position 157-2, *Effective Date of FASB Statement No. 157*, which delayed the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) until years beginning after November 15, 2008, which will be our fiscal year beginning July 1, 2009. Currently, SFAS No. 13 *Accounting for Leases*, SFAS No. 123R *Share-Based Payments*, SAB 104 *Revenue Recognition*, SOP No. 97-2 *Software Revenue Recognition*, EITF 00-21 *Revenue Arrangements with Multiple Deliverables* and ARB No. 43 *Inventory Costs*, are out of the scope of SFAS No. 157. At this time, management does not believe the impact on the Company’s financial statements will be material.

**Note 2 – EARNINGS PER SHARE**

Basic earnings per share are determined by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by dividing net income by the weighted average number of common shares used in the basic earnings per share calculation, plus the number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding under the treasury stock method.

**DIONEX CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

The following table is a reconciliation of the numerators and denominators used in computing basic and diluted earnings per share (in thousands, except per share amounts):

	<u>Year Ended June 30</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Numerator:</b>			
Net income	<u>\$52,800</u>	<u>\$45,322</u>	<u>\$35,693</u>
<b>Denominator:</b>			
Shares used to compute net income per common share – basic	18,506	19,136	20,013
Effect of dilutive stock options	<u>566</u>	<u>479</u>	<u>514</u>
Shares used to compute net income per common share – diluted	<u>19,072</u>	<u>19,615</u>	<u>20,527</u>
Basic earnings per share	<u>\$2.85</u>	<u>\$2.37</u>	<u>\$1.78</u>
Diluted earnings per share	<u>\$2.77</u>	<u>\$2.31</u>	<u>\$1.74</u>

Antidilutive common equivalent shares related to stock options excluded from the calculation of diluted shares were approximately 349,025, 327,894 and 447,228 for fiscal 2008, 2007 and 2006, respectively.

**Note 3 – SHORT-TERM INVESTMENTS**

	<u>Cost</u>	<u>Gross Unrealized Losses (In thousands)</u>	<u>Fair Value</u>
<b>June 30, 2008</b>			
Certificate of deposit	<u>\$77</u>	<u>\$–</u>	<u>\$77</u>
<b>June 30, 2007</b>			
Corporate debt securities(1)	<u>\$127</u>	<u>\$(3)</u>	<u>\$124</u>

(1) These investments have been in a loss position for greater than 12 months.

Investments with maturities greater than three months, but less than one year are classified as short-term investments. Investments with maturities greater than one year are classified as long-term investments and are recorded in other assets. At June 30, 2007, all corporate debt securities have been classified as “held-to-maturity” and recorded as short-term investments. The corporate debt securities are classified as “available-for-sale” securities and are carried at fair value. At June 30, 2007, the fair value of the securities was \$124,000 reported in short-term investments.

**Note 4 – INVENTORIES**

Inventories at June 30 consisted of the following:

	<u>2008</u>	<u>2007</u>
	<u>(In thousands)</u>	
Finished goods	\$19,236	\$16,535
Work in process	1,449	1,329
Raw materials and subassemblies	<u>10,942</u>	<u>10,762</u>
	<u>\$31,627</u>	<u>\$28,626</u>



## DIONEX CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

**Note 5 – PROPERTY, PLANT AND EQUIPMENT, NET**

Property, plant and equipment, net at June 30 consisted of:

	2008	2007
	(In thousands)	
Land	\$24,911	\$23,246
Buildings and improvements	46,019	40,409
Machinery, equipment and tooling	36,825	29,147
Furniture and fixtures	10,898	9,980
Construction-in-progress	2,330	134
	<u>120,983</u>	<u>102,916</u>
Accumulated depreciation and amortization	<u>(48,648)</u>	<u>(40,550)</u>
Property, plant and equipment, net	<u>\$72,335</u>	<u>\$62,366</u>

**Note 6 – GOODWILL AND INTANGIBLE ASSETS**

Information regarding our goodwill and other intangible assets reflect current foreign exchange rates.

Changes in the carrying amount of goodwill for the years ended June 30, 2008 and 2007 are as follows (in thousands):

Balance as of June 30, 2006	\$24,982
Translation adjustments	461
Balance as of June 30, 2007	<u>\$25,443</u>
Translation adjustments	1,227
Balance as of June 30, 2008	<u>\$26,670</u>

Our reporting units represent our operating segments, see Note 14. All goodwill has been assigned to the Life Science Business Unit (“LSBU”) reporting unit. The evaluation of goodwill is based upon the fair value of this reporting unit. Pursuant to the provisions of SFAS No. 142, *Goodwill and Other Intangible Assets*, we performed an annual impairment test on goodwill in April 2008 and 2007 and determined that goodwill was not impaired.

Information regarding our other intangible assets having a finite life is as follows (in thousands):

	As of June 30, 2008			As of June 30, 2007		
	Carrying Amount	Accumulated Amortization	Net	Carrying Amount	Accumulated Amortization	Net
Patents and trademarks	\$5,958	\$(1,376 )	\$4,582	\$5,958	\$(779 )	\$5,179
Developed technology	10,825	(10,825 )	-	10,013	(9,805 )	208
Customer relationships	2,761	(880 )	1,881	2,205	(637 )	1,568
Total	<u>\$19,544</u>	<u>\$(13,081 )</u>	<u>\$6,463</u>	<u>\$18,176</u>	<u>\$(11,221 )</u>	<u>\$6,955</u>

During fiscal 2007, we pursued our strategic initiative of strengthening our base in the eluent generation and membrane suppression for ion chromatography applications and to support new liquid chromatography applications with the acquisition of the IC patent portfolio from Alltech Associates, Inc., for approximately \$3.0 million.

We amortize patents and trademarks over a period of seven to seventeen years and the remaining weighted average amortization period for this category is approximately twelve years.

**DIONEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

We amortize other intangibles over a period of five to ten years and the remaining weighted average amortization period for this category is approximately six years.

Amortization expense related to intangible assets was \$1.1 million, \$1.3 million and \$1.4 million for the years ended June 30, 2008, 2007 and 2006, respectively. The estimated amortization for each of the five fiscal years subsequent to June 30, 2008 is as follows (in thousands):

	<u>Year Ending June 30,</u>	<u>Remaining Amortization Expense</u>
2009		\$935
2010		888
2011		886
2012		886
2013		506
Thereafter		<u>2,362</u>
<b>Total</b>		<b><u>\$6,463</u></b>

**Note 7 – FINANCING ARRANGEMENTS**

We have unsecured lines of credit with various domestic and foreign banks which have been used primarily to minimize our exposure to foreign currency fluctuations and to fund share repurchases. Our lines of credit totaled \$29.2 million and \$28.4 million at June 30, 2008 and 2007, respectively. The increase in existing lines of credit was due to the addition of lines of credit in Brazil and Taiwan. Borrowings in each country bear interest at local reference rates which ranged from 3.1% to 8.5% at June 30, 2008. There was \$21.8 million and \$231,000 outstanding under these lines at June 30, 2008 and 2007, respectively. Such line of credit agreements impose certain financial restrictions relating to cash dividends, working capital and tangible net worth.

One of our foreign subsidiaries discounts trade notes receivable with banks. Total notes receivable discounted were approximately \$11.3 million in fiscal 2008 and \$7.3 million in fiscal 2007. The uncollected balances of notes receivable due to the discounting banks at June 30, 2008 and 2007 were approximately \$2.8 million and \$2.4 million, respectively. We have a contingent liability to repurchase these notes under certain conditions. We have determined that the carrying amount of our contingent liability under this guarantee was insignificant at June 30, 2008 and 2007 based on its past experience of discounting trade notes receivable.

Total interest paid was \$790,000 in 2008, \$162,000 in 2007 and \$71,000 in 2006.

**Note 8 – WARRANTY**

Product warranties are recorded at the time revenue is recognized for certain product shipments. While we engage in extensive product quality programs and processes, our warranty obligation is affected by product failure rates, material usage and service costs incurred in correcting a product failure. Should actual product failure rates, material usage or service costs differ from our previous estimates, revisions to the estimated warranty liability would be required.

Details of the change in accrued product warranty for fiscal 2008, 2007 and 2006 are as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Charged (Credited) to Other Accounts(1) (In thousands)</u>	<u>Deductions(2)</u>	<u>Balance End of Year</u>
<b>Accrued product warranty:</b>					
June 30, 2008	\$2,875	\$5,954	\$296	\$(5,681)	\$3,444
June 30, 2007	3,493	2,669	100	(3,387)	2,875
June 30, 2006	3,514	3,810	134	(3,965)	3,493



**DIONEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

- (1) Effects of exchange rate changes.  
 (2) Product warranty costs.

**Note 9 – ACCRUED LIABILITIES**

Accrued liabilities at June 30 consist of:

	<u>2008</u>	<u>2007</u>
	(In thousands)	
Accrued payroll and related expenses	\$21,037	\$18,469
Other accrued liabilities	11,174	11,860
	<u>\$32,211</u>	<u>\$30,329</u>

**Note 10 – STOCK OPTION AND PURCHASE PLANS**

*Stock Option Plans.* We have one stock option plan (the “Option Plan”) under which incentive and nonqualified options may be granted. Options are granted at the stock’s fair market value at the grant date. Options generally become exercisable in increments over a period of four years from the date of grant and expire generally ten years from the grant date.

In August 2006, the Board of Directors approved an amendment to our Option Plan to increase the number of shares authorized for issuance by 1,500,000 shares. The amendment was approved by our stockholders at the Annual Meeting of Stockholders on October 27, 2006.

In October 2007, we granted 1,000 restricted stock units to each of our five non-employee Directors for a total of 5,000 shares of our common stock. The value of each share was \$87.03 and restricted stock units vest over a four year period.

	As of June 30,					
	<u>2008</u>		<u>2007</u>		<u>2006</u>	
	Shares	Wtd. Avg. Exercise Price	Shares	Wtd. Avg. Exercise Price	Shares	Wtd. Avg. Exercise Price
Options outstanding, beginning of year	1,694,471	\$41.91	1,736,593	\$37.43	2,261,642	\$32.65
Granted	347,750	72.81	346,250	53.58	356,650	48.23
Exercised	(180,073 )	40.41	(367,479 )	32.29	(831,347 )	28.63
Canceled	(69,440 )	63.77	(20,893 )	48.61	(50,352 )	44.21
Options outstanding, end of year	<u>1,792,708</u>	\$47.20	<u>1,694,471</u>	\$41.91	<u>1,736,593</u>	\$37.43
Options vested and expected to vest	<u>1,778,930</u>	\$47.07	<u>1,664,063</u>	\$41.74	<u>1,703,277</u>	\$37.24
Options exercisable at year end	<u>1,180,159</u>	\$39.20	<u>1,036,706</u>	\$36.13	<u>1,052,726</u>	\$32.17
Weighted average fair value of options granted during the year		\$23.88		\$18.38		\$19.38

The total intrinsic value of options exercised were \$6.9 million, \$12.3 million and \$18.6 million in fiscal 2008, 2007 and 2006 respectively. As of June 30, 2008, there was \$12.0 million of total unrecognized compensation cost related to nonvested stock options. That cost is expected to be recognized over a weighted average period of 2.4 years. The total intrinsic value of options exercisable at June 30, 2008 was \$32.1 million based upon a market value of \$66.37 per share. The total intrinsic value of options outstanding at June 30, 2008 was \$36.4 million based

## DIONEX CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

upon a market value of \$66.37 per share. The total intrinsic value of the options exercisable and expected to vest, based on a market value of \$66.37 per share was \$36.4 million at June 30, 2008, with a weighted average remaining contractual life of 6.19 years.

Additional information regarding options outstanding and exercisable as of June 30, 2008 is as follows:

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Number Outstanding	Weighted Avg. Remaining Contractual Life (Yrs)	Weighted Avg. Exercise Price	Number Exercisable	Weighted Avg. Remaining Contractual Life (Yrs)	Weighted Avg. Exercise Price
\$23.98 - 32.25	428,153	3.00	\$27.64	428,153		\$27.64
34.88 - 39.47	250,701	4.98	39.37	250,701		39.37
41.03 - 47.19	208,641	5.74	46.25	194,232		46.18
48.05 - 49.93	279,188	7.11	48.23	176,255		48.17
53.38 - 70.32	333,775	8.12	55.33	130,818		54.28
72.56 - 87.03	292,250	9.11	73.01	–		–
\$23.98 - 87.03	<u>1,792,708</u>	6.19	\$47.20	<u>1,180,159</u>	5.03	\$39.20

At June 30, 2008, 1,207,263 shares were available for future grants under the Option Plan.

The fair value of each option on the date of grant is estimated using the Black-Scholes option-pricing model using the multiple option approach for options granted, prior to June 30, 2005 and using the single option approach for options granted after June 30, 2005.

These are the following weighted-average assumptions:

	Year Ended June 30,					
	2008		2007		2006	
Volatility for options	28 - 29	%	29	%	40	%
Volatility for employee stock purchase plan	21 - 31	%	23 - 26	%	30	%
Risk-free interest rate for options	2.91 - 4.60%		4.50 - 4.88%		4 - 4.5	%
Risk-free interest rate for employee stock purchase plan	2.13 - 4.80%		4.98	%	3.6 - 4.4	%
Expected life of options	4.72 years		4.70 years		4.75 years	
Expected life of employee stock purchase plan	6 months		6 months		6 months	
Expected dividend	\$0.00		\$0.00		\$0.00	

Exercise and post-vesting forfeiture assumptions based on analysis of historical data.

**Determining Fair Value**

Valuation and amortization method – We estimate the fair value of stock options granted using the Black-Scholes-Merton option – pricing formula and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period.

Expected Term – The expected term represents the period that our stock-based awards are expected to be outstanding and was determined based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of our stock-based awards.

**DIONEX CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

Expected Volatility – Our computation of expected volatility for the years ended June 30, 2008, 2007 and 2006 is based on a combination of historical and market-based implied volatility.

Risk-Free Interest Rate – The risk-free interest rate used in the Black-Scholes-Merton valuation method is based on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend – The expected dividend assumption is based on our current expectations about our anticipated dividend policy.

*Employee Stock Purchase Plan.* Under our Employee Stock Purchase Plan (the “Purchase Plan”), eligible employees are permitted to have salary withholdings to purchase shares of common stock at a price equal to 85% of the lower of the market value of the stock at the beginning or end of each six-month offer period, subject to certain annual limitations. The number of shares of stock issued under the Purchase Plan was 32,969, 38,584 and 41,977 shares in fiscal 2008, 2007 and 2006, respectively, at weighted average prices of \$56.59, \$44.36 and \$39.39, respectively. The weighted average fair value of the fiscal 2008, 2007 and 2006 awards was \$12.48, \$14.10 and \$11.72, respectively. At June 30, 2008, 635,250 shares were reserved for future issuances under the Purchase Plan.

**Note 11 – EMPLOYEE 401(K) PLAN**

We have a 401(k) tax deferred savings plan covering most U.S. employees. Participants may contribute up to 10% of their compensation and we make matching contributions (\$1.6 million in fiscal 2008, and \$1.4 million in fiscal 2007 and 2006) limited to 5% of each participant’s compensation. In fiscal 2007, matching contributions vest in 25% increments each year. In prior years, matching contributions vested in 25% increments each year beginning two years after the participant’s date of employment.

**Note 12 – TAXES ON INCOME**

The provision for taxes on income consists of:

	<b>Year Ended June 30</b>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
	(In thousands)		
Current:			
Federal	\$17,433	\$10,488	\$10,599
State	(1,481)	1,770	1,221
Foreign	10,590	13,166	10,082
Total current	<u>26,542</u>	<u>25,424</u>	<u>21,902</u>
Deferred:			
Federal	105	1,474	(32 )
State	122	(78 )	81
Foreign	(1,171)	(852 )	869
Total deferred	<u>(944 )</u>	<u>544</u>	<u>918</u>
	<u>\$25,598</u>	<u>\$25,968</u>	<u>\$22,820</u>

**DIONEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

Domestic and foreign income before taxes on income is as follows:

	Year Ended June 30		
	2008	2007	2006
	(In thousands)		
Domestic	\$57,830	\$55,126	\$47,012
Foreign	<u>20,568</u>	<u>16,164</u>	<u>11,501</u>
	<u>\$78,398</u>	<u>\$71,290</u>	<u>\$58,513</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Non-current deferred tax assets are presented on the balance sheets as part of other assets. The components of the current and non-current deferred tax assets and liabilities are as follows:

	Year Ended June 30	
	2008	2007
	(In thousands)	
Current deferred tax assets:		
Accounting accruals deductible in different periods for tax purposes	\$10,868	\$8,690
State income tax	88	448
Other	578	264
Total current deferred tax assets	<u>11,534</u>	<u>9,402</u>
Non-current deferred tax assets:		
Difference in tax basis from acquisition	980	919
Non-current deferred tax liabilities:		
Accelerated depreciation	(826 )	(1,084 )
Excess tax basis from acquisition	(980 )	(919 )
Book/tax amortization of intangibles	(2,301 )	(420 )
Accumulated translation adjustment	(6,777 )	(3,094 )
Other	-	38
Total deferred tax liabilities	<u>(10,884)</u>	<u>(5,479)</u>
Net deferred tax assets	<u>\$1,630</u>	<u>\$4,842</u>

Total income tax expense differs from the amount computed by applying the statutory Federal income tax rate to income before taxes on income as follows:

	Year Ended June 30		
	2008	2007	2006
Statutory Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of Federal income tax effect	(1.3)	1.6	1.5
Extraterritorial income exclusion/Manufacturing deduction	(1.4)	(1.1)	(2.2)
Taxes on foreign income	1.0	1.8	4.3
Other	<u>(0.7)</u>	<u>(0.9)</u>	<u>0.4</u>
	<u>32.6%</u>	<u>36.4%</u>	<u>39.0%</u>

Income taxes paid were \$31.2 million in fiscal 2008, \$21.3 million in fiscal 2007 and \$9.3 million in fiscal 2006.

We have not provided for Federal income taxes on approximately \$51.5 million of undistributed earnings of certain foreign subsidiaries, which we intend to permanently reinvest in subsidiary operations. If these earnings

**DIONEX CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

were distributed to us as the parent, foreign tax credits available under current law would substantially eliminate the resulting Federal income tax liability.

Our total amount of unrecognized tax benefits as of June 30, 2008 was \$14.2 million, of which \$1.9 million, if recognized, would affect our effective tax rate compared to \$14.4 million on July 1, 2007, of which \$3.3 million, if recognized, would have affected our effective tax rate. The liability for income taxes associated with uncertain tax positions is classified in deferred and other income taxes payable.

We record interest and penalties related to unrecognized tax benefits in income tax expense. At June 30, 2008, we had approximately \$1.9 million accrued for estimated interest related to uncertain tax positions compared to approximately \$1.7 million on July 1, 2007. During the fiscal year ended June 30, 2008, we accrued a total of \$753,000 in interest on these uncertain tax positions. During the fiscal year ended June 30, 2008, we reversed certain income taxes payable in the amount of \$3.2 million, including \$603,000 of accrued interest due to expiring statutes relating to FIN 48 liabilities previously accrued. Similarly, deferred tax assets and other tax receivables were reduced by \$2.0 million, including \$211,000 of accrued interest, due to related expiring FIN 48 liabilities.

Reconciliation of unrecognized tax benefits is as follows:

Balance, July 1, 2007	\$14,355,733
Additions for tax positions of the current year	3,104,479
Decrease from Expiration of Statute of Limitation	(3,228,392 )
Balance, June 30, 2008	<u>\$14,231,820</u>

We are subject to audit by the Internal Revenue Service and California Franchise Tax Board for the fiscal years 2004 through the fiscal year 2007. As we have operations in most other US states, other state tax authorities may assess deficiencies related to prior year activities; however, the years open to assessment vary with each state. We also file income tax returns for non-US jurisdictions, the most significant of which are Germany, Japan, the UK and Hong Kong. The years open to adjustment for Germany are fiscal years 2003 through 2007, fiscal years 2002 through 2007 for the UK and Hong Kong and fiscal years 2001 through 2007 for Japan.

A number of years may elapse before an uncertain tax position is audited and ultimately settled. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognized tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the settlement of ongoing litigation, the completion of ongoing examinations, the expiration of the statute of limitations, or other circumstances. At this time, an estimate of the range of the reasonably possible change cannot be made.

**Note 13 – COMMITMENTS AND OTHER CONTINGENCIES**

Revenue generated from international operations is generally denominated in foreign currencies. We enter into forward foreign exchange contracts to hedge against fluctuations of intercompany account balances. Market value gains and losses on these exchange contracts are substantially offset by fluctuations in the underlying balances being hedged, and the net financial impact is not expected to be material in future periods. We had forward exchange contracts to sell foreign currencies totaling \$19.0 million, \$10.5 million and \$15.0 million at June 30, 2008, 2007 and 2006, respectively. In March 2007, we entered into a \$10.0 million cross-currency swap arrangement for Japanese Yen which matures in March 2010.

We enter into standard indemnification agreements with many of our customers and certain other business partners in the ordinary course of business. These agreements include provisions for indemnifying the customer against any claim brought by a third party to the extent any such claim alleges that our product infringes a patent, copyright or trademark, or violates any other proprietary rights of that third party. The maximum potential amount of future payments we could be required to make under these indemnification agreements is not estimable, however,



**DIONEX CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**

we have not incurred any costs to defend lawsuits or settle claims related to these indemnification agreements. No material claims for such indemnifications were outstanding as of June 30, 2008. We have not recorded any liabilities for these indemnification agreements at June 30, 2008 or 2007.

Certain facilities and equipment are leased under non-cancelable operating leases. We generally pay taxes, insurance and maintenance costs on leased facilities and equipment. Minimum annual rental commitments under these non-cancelable operating leases are \$6.4 million for fiscal 2009 \$3.5 million for fiscal 2010, \$2.2 million for fiscal 2011, \$1.4 million for fiscal 2012, \$0.9 million for fiscal 2013 and \$3.2 million thereafter.

Total rental expense for all operating leases was \$7.2 million in fiscal 2008, \$6.7 million in fiscal 2007 and \$5.6 million in fiscal 2006.

**Note 14 – BUSINESS SEGMENT INFORMATION**

SFAS No. 131 establishes standards for reporting information about operating segments in annual financial statements of public business enterprises. It also establishes standards for related disclosures about products and service, geographic areas and major customers.

The Company's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision maker (our Chief Executive Officer). We have two operating segments, the Chemical Analysis Business Unit ("CABU") and the Life Sciences Business Unit ("LSBU"). CABU sells ion chromatography and accelerated solvent extraction products, services and related consumables. LSBU sells high performance liquid chromatography products, services and related consumables. These two operating segments are aggregated into one reportable segment for financial statement purposes.

We sell products, installation and training services and maintenance within this reportable segment, detailed as follows:

	Year Ended June 30		
	2008	2007	2006
		(In thousands)	
Products	\$329,485	\$286,767	\$254,054
Installation and training services	10,433	9,365	8,945
Maintenance	37,620	31,152	28,301
	<u>\$377,538</u>	<u>\$327,284</u>	<u>\$291,300</u>

## DIONEX CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Geographic information is presented below:

	Year Ended June 30		
	2008	2007	2006
	(In thousands)		
Net sales to unaffiliated customers:			
United States	\$96,250	\$85,419	\$80,860
Europe, excluding Germany	116,482	106,781	91,795
Japan	34,996	32,642	30,428
Germany	40,836	37,683	32,145
Other International	88,974	64,759	56,072
Consolidated net sales	<u>\$377,538</u>	<u>\$327,284</u>	<u>\$291,300</u>
At June 30			
Long-lived assets:			
United States	\$53,798	\$51,728	\$45,170
Europe, excluding Germany	8,734	9,022	9,170
Japan	10,070	8,738	9,420
Germany	36,536	30,251	27,420
Other International	1,945	1,256	1,792
Consolidated long-lived assets	<u>\$111,083</u>	<u>\$100,995</u>	<u>\$92,972</u>

No individual customer accounted for greater than 5% of net sales in fiscal 2008, 2007 and 2006 or greater than 10% of consolidated accounts receivable at June 30, 2008 and 2007.

**Note 15 – QUARTERLY RESULTS OF OPERATIONS (unaudited)**

The following is a summary of the unaudited quarterly results of operations for the years ended June 30, 2008 and 2007.

	Quarter			
	First	Second	Third	Fourth
	(In thousands, except per share amounts)			
Fiscal 2008:				
Net sales	\$82,423	\$98,038	\$98,356	\$98,721
Gross profit	53,727	66,206	64,525	66,324
Net income	10,150	14,829	13,595	14,226
Basic earnings per share	0.54	0.80	0.74	0.78
Diluted earnings per share	0.53	0.77	0.72	0.76
Fiscal 2007:				
Net sales	\$72,857	\$83,519	\$84,954	\$85,954
Gross profit	47,898	55,864	55,782	58,725
Net income	8,671	13,267	11,497	11,887
Basic earnings per share	0.45	0.69	0.60	0.63
Diluted earnings per share	0.44	0.68	0.59	0.61

**Item 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE***

Not applicable.

**Item 9A. *CONTROLS AND PROCEDURES***

**Management' s Evaluation of Disclosure Controls and Procedures**

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our “disclosure controls and procedures” (as defined in rules promulgated under the Exchange Act Rules 13a-15(e) and 15d-15(e)). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of June 30, 2008 were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded processed, summarized and reported within the time periods specified in the SEC' s rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosures.

**Management' s Annual Report on Internal Control over Financial Reporting**

Our management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for us. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Our management conducted an assessment of the effectiveness of our internal control over financial reporting as of June 30, 2008 based on criteria established in the “Internal Control – Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, our management concluded that, as of June 30, 2008, our internal control over financial reporting was effective.

Our independent registered public accounting firm, Deloitte & Touche LLP, has audited the effectiveness of our internal control over financial reporting as of June 30, 2008, as stated in their report that appears below.

**Changes in Internal Control over Financial Reporting**

No changes in our internal control over financial reporting occurred during the quarter ended June 30, 2008 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

**Item 9B. *OTHER INFORMATION***

Not applicable.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Dionex Corporation:

We have audited the internal control over financial reporting of Dionex Corporation and subsidiaries (the “Company”) as of June 30, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2008, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended June 30, 2008 of the Company and our report dated August 29, 2008 expressed an unqualified opinion on those financial statements (which report on the consolidated financial statements includes an explanatory paragraph relating to the adoption of Statement of Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*).

/s/ Deloitte & Touche LLP

San Jose, California  
August 29, 2008

## PART III

### **Item 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE***

#### **IDENTIFICATION OF DIRECTORS AND EXECUTIVE OFFICERS**

The information required by Item 10 of Form 10-K with respect to identification of directors and executive officers is incorporated by reference to the information contained in the sections captioned “Election of Directors”, “Executive Officers of Dionex Corporation” and “Section 16(a) Beneficial Ownership Reporting and Compliance” in our definitive Proxy Statement for the Annual Meeting of Stockholders to be held October 28, 2008, the “2008 Proxy Statement”, which will be filed in accordance with Regulation 14A under the Exchange Act.

#### **CORPORATE GOVERNANCE**

The information required by Item 10 of Form 10-K with respect to the Audit Committee is incorporated by reference to the information contained in “Election of Directors” in the 2008 Proxy Statement.

#### **CODE OF ETHICS**

The information required by Item 10 of Form 10-K with respect to the Code of Ethics is incorporated by reference to the information contained in “Code of Ethics” in the 2008 Proxy Statement.

### **Item 11. *EXECUTIVE COMPENSATION***

The information required by Item 11 of Form 10-K regarding executive compensation is incorporated by reference to the information contained in the sections captioned “Compensation of Directors and Executive Officers,” “Compensation Discussion and Analysis,” “Compensation Committee Interlocks and Insider Participation”, “Compensation Tables”, and “Compensation Committee Report” in the 2008 Proxy Statement.

### **Item 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS***

The information required by Item 12 of Form 10-K is incorporated by reference to the information contained in the section captioned “Security Ownership of Certain Beneficial Owners and Management” in the 2008 Proxy Statement.

### **Item 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE***

The information required by Item 13 of Form 10-K is incorporated by reference to the information contained in the section captioned “Election of Directors” and “Transactions with Related Persons” in the 2008 Proxy Statement.

### **Item 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES***

The information required by Item 14 of Form 10-K is incorporated by reference to the information contained in the sections captioned “Independent Registered Public Accounting Firm’s Fees,” “Policy on Audit Committee Pre-Approval” and “Audit Committee Disclosure” in the 2008 Proxy Statement.

## PART IV

### **Item 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

- (a) (1) Financial Statements – See Index to Financial Statements at page 31 of this Report.
- (2) Financial Statement Schedule – See Index to Financial Statement Schedules at pages 57 of this Report.
- (3) Exhibits – See Exhibit Index at page 60 through 61 of this Report.



## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, we have duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIONEX CORPORATION

By /s/ Lukas Braunschweiler  
Lukas Braunschweiler  
President, Chief Executive Officer and Director

Date: August 29, 2008

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lukas Braunschweiler and Craig A. McCollam, and each or either of them, each with the power of substitution, his attorney-in-fact, to sign any amendments to this report, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Dionex Corporation and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Lukas Braunschweiler</u> Lukas Braunschweiler	President, Chief Executive Officer, and Director (Principal Executive Officer)	August 29, 2008
<u>/s/ Craig A. McCollam</u> Craig A. McCollam	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	August 29, 2008
<u>/s/ A. Blaine Bowman</u> A. Blaine Bowman	Director	August 29, 2008
<u>/s/ David L. Anderson</u> David L. Anderson	Director	August 29, 2008
<u>/s/ Roderick McGeary</u> Roderick McGeary	Director	August 29, 2008
<u>/s/ Riccardo Pigliucci</u> Riccardo Pigliucci	Lead Director	August 29, 2008
<u>/s/ Michael W. Pope</u> Michael W. Pope	Director	August 29, 2008

## INDEX TO FINANCIAL STATEMENT SCHEDULES

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All other schedules are omitted because they are not required, are not applicable or the information is included in the consolidated financial statements or notes thereto.



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of Dionex Corporation:

We have audited the consolidated financial statements of Dionex Corporation and its subsidiaries (collectively, the “Company”) as of June 30, 2008 and 2007, and for each of the three years in the period ended June 30, 2008, and the effectiveness of the Company’s internal control over financial reporting as of June 30, 2008, and have issued our reports thereon dated August 29, 2008 (which report on the consolidated financial statements includes an explanatory paragraph relating to the adoption of Statement of Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*). Such consolidated financial statements and reports are included elsewhere in this Annual Report on Form 10-K for the year ended June 30, 2008. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15(a)(2). The consolidated financial statement schedule is the responsibility of the Company’s management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP

San Jose, California  
August 29, 2008

**DIONEX CORPORATION**  
**VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**  
**YEAR ENDED JUNE 30, 2008, 2007 AND 2006**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Charged (Credited) to Other Accounts(1)</u> (In thousands)	<u>Deductions(2)</u>	<u>Balance End of Year</u>
YEAR ENDED JUNE 30, 2008:	\$610	\$(95 )	\$120	\$(111 )	\$ 524
Allowance for doubtful accounts					
YEAR ENDED JUNE 30, 2007:	\$674	\$-	\$41	\$(105 )	\$ 610
Allowance for doubtful accounts					
YEAR ENDED JUNE 30, 2006:	\$953	\$-	\$37	\$(316 )	\$ 674
Allowance for doubtful accounts					

(1) Effects of exchange rate changes

(2) Accounts written off, net of recoveries

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>	<b>Reference</b>
3 .1	Restated Certificate of Incorporation, filed December 12, 1988	(1)
3 .2	Certificate of Amendment of Restated Certificate of Incorporation, filed December 1, 1999 (Exhibit 3.2)	(8)
3 .3	Amended and Restated Bylaws, August 6, 2008 (Exhibit 99.1)	(12)
4 .1	Stockholder Rights Agreement dated January 21, 1999, between Dionex Corporation and Bank Boston N.A.	(2)
10.1	Medical Care Reimbursement Plan as amended October 30, 2007 (Exhibit 10.1)	(9)
10.2	Credit Agreement dated November 13, 2000 between Wells Fargo Bank and Dionex Corporation (Exhibit 10.15)	(3)
10.3	First amendment to Credit Agreement dated November 13, 2000 between Wells Fargo Bank and Dionex Corporation (Exhibit 10.17)	(4)
10.4	Dionex Corporation 2004 Equity Incentive Plan, as amended October 2006 (Exhibit 10.1)	(10)
10.5	Form of Stock Option Agreement for non-employee directors (Exhibit 10.5)	(11)
10.6	Form of Stock Option Agreement for other than non-employee directors (Exhibit 10.6)	(11)
10.7	Form of Stock Unit Award Agreement (Exhibit 10.2)	(10)
10.8	Form of International Stock Option Agreement (Exhibit 10.8)	(9)
10.9	Form of Stock Unit Award Agreement for U.S. employees	
10.10	Form of Stock Unit Award Agreement for International employees	
10.11	Employee Stock Participation Plan (Exhibit 10.13)	(5)
10.12	Second amendment to Credit Agreement dated November 13, 2000 between Wells Fargo Bank and Dionex Corporation (Exhibit 10.1)	(6)
10.13	Change in Control Severance Benefit Plan as amended August 6, 2008	
10.14	Third amendment to Credit Agreement dated December 1, 2006 between Wells Fargo Bank and Dionex Corporation (Exhibit 10.8)	(7)
10.15	Amended Executive Employment Agreement for Lukas Braunschweiler dated January 30, 2008 (Exhibit 10.13)	(11)
21.1	Subsidiaries of Dionex Corporation	
23.1	Consent of Independent Registered Public Accounting Firm	
24.1	Power of Attorney (reference is made to the signature page of this report on Form 10-K)	
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
32.1	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
32.2	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	

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(1) Incorporated by reference to the corresponding exhibit in our Annual Report on Form 10-Q filed September 20, 1989.

(2) Incorporated by reference to the corresponding exhibit in our Quarterly Report on Form 10-Q filed February 16, 1999.

(3) Incorporated by reference to the indicated exhibit in our Quarterly Report on Form 10-Q filed February 14, 2001.

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- (4) Incorporated by reference to the indicated Exhibit in our Annual Report on Form 10-K filed September 24, 2003.
- (5) Incorporated by reference to the indicated exhibit in our Annual Report on Form 10-K filed September 10, 2004.
- (6) Incorporated by reference to the indicated exhibit in our current Report on Form 8-K filed December 22, 2004.
- (7) Incorporated by reference to the indicated exhibit in our Quarterly Report on Form 10-Q filed February 9, 2007.
- (8) Incorporated by reference to the indicated exhibit in our Form 10-K filed August 28, 2007.
- (9) Incorporated by reference to the indicated exhibit in our Form 10-Q filed November 9, 2007.
- (10) Incorporated by reference to the indicated exhibit in our Form 8-K filed October 15, 2007.
- (11) Incorporated by reference to the indicated exhibit in our Form 10-Q filed February 8, 2008.
- (12) Incorporated by reference to the indicated exhibit in our Form 8-K filed August 11, 2008.

**Dionex Corporation  
Stock Unit Grant Notice  
(2004 Equity Incentive Plan)**

Dionex Corporation (the “**Company**”), pursuant to Section 8(c) of the Company’s 2004 Equity Incentive Plan (the “**Plan**”), hereby awards to Participant a Stock Unit Award covering the number of stock units (the “**Stock Units**”) set forth below (the “**Award**”). This Award shall be evidenced by this Stock Unit Grant Notice (the “**Grant Notice**”) and a Stock Unit Award Agreement (the “**Award Agreement**”). This Award is subject to all of the terms and conditions as set forth herein and in the applicable Award Agreement and the Plan, each of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan and the Award Agreement. Except as expressly provided in the Award Agreement, in the event of any conflict between the terms of the Award and the Plan, the terms of the Plan shall control.

Participant: \_\_\_\_\_  
Date of Grant: \_\_\_\_\_  
Vesting Commencement Date \_\_\_\_\_  
Number of Stock Units: \_\_\_\_\_  
Consideration: Participant’s services to the Company

**Vesting Schedule:** The Stock Units shall vest in a series of five successive equal annual installments over the five-year period measured from the Vesting Commencement Date; provided that vesting shall cease upon Participant’s termination of Continuous Service.

**Delivery Schedule:** Delivery of one share of Common Stock for each Stock Unit that vests shall occur on the date that is the earlier of: (i) the fifth anniversary of the Date of Grant, and (ii) Participant’s Separation From Service, provided that delivery may be delayed as provided in Section 4 of the Award Agreement.

**Additional Terms/Acknowledgements:** Participant acknowledges receipt of, and understands and agrees to, this Grant Notice, the Award Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the award of the Stock Units and the underlying Common Stock issuable thereunder and supersede all prior oral and written agreements on that subject with the exception of Stock Awards previously granted and delivered to Participant under the Plan.

**Dionex Corporation**

**Participant**

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachments:** Award Agreement and Plan

**Dionex Corporation  
2004 Equity Incentive Plan  
Stock Unit Award Agreement**

Pursuant to the Stock Unit Grant Notice (“**Grant Notice**”) and this Stock Unit Award Agreement (“**Agreement**”), Dionex Corporation (the “**Company**”) has awarded you a Stock Unit Award pursuant to Section 8(c) of the Company’s 2004 Equity Incentive Plan (the “**Plan**”) for the number of Stock Units as indicated in the Grant Notice (collectively, the “**Award**”). Defined terms not explicitly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan. Except as expressly provided herein, in the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall control. The details of this Award, in addition to those set forth in the Grant Notice, are as follows.

**1. Grant of Award.** This Award represents the right to be issued on a future date the number of shares of Common Stock as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the “**Account**”) the number of shares of Common Stock subject to this Award. This Award was granted in consideration of your services to the Company. Except as otherwise provided herein, you will not be required to make any payment to the Company (other than services to the Company) with respect to your receipt of this Award, the vesting of the Stock Units, or the delivery of the underlying Common Stock.

**2. Vesting.** The Stock Units shall vest, if at all, as provided in the Vesting Schedule set forth in your Grant Notice, provided that vesting shall cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, the shares credited to the Account that were not vested on the date of such termination will be forfeited to the Company and you will have no further right, title or interest in or to such underlying shares of Common Stock.

**3. Number of Stock Units and Shares of Common Stock.**

**(a)** The number of Stock Units subject to this Award and the number of shares of Common Stock deliverable with respect to such Stock Units may be adjusted from time to time for Capitalization Adjustments as described in Section 12(a) of the Plan. You shall receive no benefit or adjustment to this Award with respect to any cash dividend or other distribution that does not result from a Capitalization Adjustment as described in Section 12(a) of the Plan; *provided, however*, that this sentence shall not apply with respect to any shares of Common Stock that are delivered to you in connection with this Award after such shares have been delivered to you.

**(b)** Any additional Stock Units, shares of Common Stock, cash or other property that becomes subject to this Award pursuant to this Section 3 shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Stock Units and Common Stock covered by this Award.

(c) Notwithstanding the provisions of this Section 3, no fractional Stock Units or rights for fractional shares of Common Stock shall be created pursuant to this Section 3. The Board shall, in its discretion, determine an equivalent benefit for any fractional Stock Units or fractional shares that might be created by the adjustments referred to in this Section 3.

#### 4. Delivery of Shares of Common Stock.

(a) Subject to the provisions of this Agreement, in the event one or more Stock Units vest, the Company shall deliver to you one share of Common Stock for each Stock Unit that vests on the date that is the earlier of: (i) the fifth anniversary of the Date of Grant, and (ii) your Separation From Service. However, if a scheduled delivery date falls on a date that is not a business day, such delivery date shall instead fall on the next following business day.

(b) Notwithstanding the foregoing, if (i) Stock Units are scheduled to be delivered to you due to your Separation From Service, and (ii) you are a “specified employee” of the Company or any affiliate thereof (or any successor entity thereto) within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date of your Separation From Service, then the delivery of any shares covered by this Award shall instead occur on the earlier of: (x) the date that is six months after the date of your Separation From Service, or (y) the date of your death.

(c) Notwithstanding the foregoing, in the event that you are subject to the Company’s *Insider Trading and “Window Period” Policy* (or any successor policy) and any shares covered by this Award are scheduled to be delivered on a day (the “**Original Delivery Date**”) that does not fall during a “window period” applicable to you, as determined by the Company in accordance with such policy, then such shares shall not be delivered on such Original Delivery Date and shall instead be delivered on the first business day of the next occurring “window period” applicable to you but in no event later than 60 days following the Original Delivery Date.

(d) The form of such delivery (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

(e) In the event of a Corporate Transaction, any surviving corporation or acquiring corporation may assume or continue this Award or may substitute a similar stock award for this Award (including but not limited to, an award to acquire the same consideration paid to the stockholders of the Company, as the case may be, pursuant to the Corporate Transaction). A surviving corporation or acquiring corporation may not assume or continue only a portion of this Award or substitute a similar stock award for only a portion of this Award. The terms of any assumption, continuation or substitution shall be set by the Board. In the event of a Corporate Transaction that also qualifies as a Change in Control Transaction and any surviving corporation or acquiring corporation does not assume or continue this Award or substitute a similar stock award for this Award in such Change in Control Transaction, then if your Continuous Service has not terminated prior to the effective time of such Change in Control Transaction, the vesting of this Award shall (contingent upon the effectiveness of such Change in Control Transaction) be accelerated in full to a date prior to the effective time of such Change in Control Transaction as the Board shall determine (or, if the Board shall not determine such a date, to the date that is five days prior to the effective time of such Change in Control

Transaction), and the shares subject to the Stock Units shall be delivered to you no later than 60 days following the date of the consummation of such Change in Control Transaction. In the event of a Corporate Transaction that also qualifies as a Change in Control Transaction and any surviving corporation or acquiring corporation does not assume or continue this Award or substitute a similar stock award for this Award in such Change in Control Transaction, then if your Continuous Service has terminated prior to the effective time of such Change in Control Transaction, the vesting of this Award shall not be accelerated, and this Award shall terminate at or prior to such effective time. The foregoing provision shall supersede Section 12(c) of the Plan regarding this Award.

**5. Securities Law Compliance.** You may not be issued any Common Stock under this Award unless either (i) the shares of Common Stock are then registered under the Securities Act, or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. This Award must also comply with other applicable laws and regulations governing this Award, and you shall not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

**6. Restrictive Legends.** The Common Stock issued under this Award shall be endorsed with appropriate legends, if any, determined by the Company.

**7. Transfer Restrictions.** This Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the shares of Common Stock subject to the Award until the shares are issued to you in accordance with Section 4 of this Agreement. After the shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein and applicable securities laws. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to receive any distribution of Common Stock to which you were entitled at the time of your death pursuant to this Agreement.

**8. Award not a Service Contract.** This Award is not an employment or service contract, and nothing in this Award shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or any Affiliate, or on the part of the Company or any Affiliate to continue such service. In addition, nothing in this Award shall obligate the Company or any Affiliate, their respective stockholders, boards of directors or employees to continue any relationship that you might have as an Employee or Consultant of the Company or any Affiliate.

**9. Unsecured Obligation.** This Award is unfunded, and even as to any Stock Units which vest, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Common Stock pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the Common Stock acquired pursuant to this Agreement until such Common Stock is issued to you pursuant to Section 4 of this Agreement. Upon such issuance, you will obtain full voting and other rights as



a stockholder of the Company with respect to the Common Stock so issued. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

#### **10. Withholding Obligations.**

(a) On or before the time you vest in your Stock Units or receive a distribution of Common Stock pursuant to this Award, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Common Stock issuable to you and otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate which arise in connection with this Award (the “*Withholding Taxes*”). Additionally, the Company may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to this Award by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company; (ii) causing you to tender a cash payment; or (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with this Award with a Fair Market Value (measured as of the date shares of Common Stock are issued to pursuant to Section 4) equal to the amount of such Withholding Taxes; *provided, however*, that the number of such shares of Common Stock so withheld shall not exceed the amount necessary to satisfy the Company’s required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income.

(b) Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Common Stock.

(c) In the event the Company’s obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Company’s withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

**11. Notices.** Any notices required to be given or delivered to the Company under the terms of this Award shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to you shall be in writing and addressed to your address as on file with the Company at the time notice is given. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

**12. Headings.** The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

**13. Amendment.** This Agreement may be amended only by a writing executed by the Company and you which specifically states that it is amending this Agreement. Notwithstanding the foregoing, this Agreement may be amended solely by the Company by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Company reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of this Award which has not been delivered to you in Common Stock pursuant to Section 3.

**14. Miscellaneous.**

(a) The rights and obligations of the Company under this Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of this Award.

(c) You acknowledge and agree that you have reviewed this Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting this Award and fully understand all provisions of this Award.

(d) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

**15. Governing Plan Document.** This Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of this Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. The Company shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Board shall be final and binding upon you, the Company, and all other interested persons. No member of the Board shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

**16. Effect on Other Employee Benefit Plans.** The value of this Award subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

**17. Choice of Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the law of the state of California without regard to such state's conflicts of laws rules.

**18. Severability.** If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**19. Other Documents.** You hereby acknowledge receipt or the right to receive a prospectus providing the information required by Rule 428(b)(1) promulgated under the Securities Act. In addition, you acknowledge that you have read and understand and agree to abide by the terms of the Company's *Insider Trading and "Window Period" Policy*.

**20. Definitions.** For purposes of this Agreement, the following definitions shall apply:

(a) "**Change in Control Transaction**" shall mean either of the following:

(i) The acquisition, by a person or persons acting as a group, of the stock of the Company that, together with other stock held by such person or group, constitutes 50% or more of the total fair market value or total voting power of the Company; *provided, however*, (i) if a person or persons acting as a group is considered to own 50% or more of the total voting power of the Company as of the Date of Grant specified in your Grant Notice, the acquisition of additional stock by the same person or persons shall not constitute a Change in Control Transaction; (ii) an increase in the percentage of stock owned by a person or persons acting as a group as a result of a transaction in which the Company acquires its own stock in exchange for property shall be treated as an acquisition of stock for purposes of this Section; (iii) such acquired stock of the Company remains outstanding after the transaction; and (iv) for purposes of this Section, "persons acting as a group" shall be determined by reference to Treas. Reg. Section 1.409A-3(i)(5)(v)(B).

(ii) The acquisition, within a twelve month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 40% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions; *provided, however*, that a Change in Control

Transaction shall not occur (i) upon a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer; (ii) if such assets are transferred to a stockholder of the Company immediately before the asset transfer in exchange for Company stock; (iii) if such assets are transferred to an entity of which 50% or more of the total value or voting power is owned, directly or indirectly, by the Company (as determined immediately after the transfer of such assets); (iv) if such assets are transferred to a person or persons acting as a group, that owns, directly or indirectly, 50% or more of the total value or voting power of all of the outstanding stock of the Company (as determined immediately after the transfer of such assets); or (v) if such assets are transferred to an entity of which at least 50% of the total value or voting power is owned, directly or indirectly, by a person described in foregoing clause (iv) (as determined immediately after the transfer of such assets); *provided, further*, that for purposes of this Section, "persons acting as a group" shall be determined by reference to Treas. Reg. Section 1.409A-3(i)(5)(vii)(C).

(b) "***Separation From Service***" shall mean your "separation from service" with the Company within the meaning of Treas. Reg. Section 1.409A-1(h) (without regarding to any alternative definitions therein).

\* \* \* \* \*

This Stock Unit Award Agreement shall be deemed to be signed by the Company and you upon your signing of the Grant Notice.

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**Dionex Corporation**  
**2004 Equity Incentive Plan**

**Dionex Corporation  
Stock Unit Grant Notice  
(2004 Equity Incentive Plan)**

Dionex Corporation (the “**Company**”), pursuant to Section 8(c) of the Company’s 2004 Equity Incentive Plan (the “**Plan**”), hereby awards to Participant a Stock Unit Award covering the number of stock units (the “**Stock Units**”) set forth below (the “**Award**”). This Award shall be evidenced by this Stock Unit Grant Notice (the “**Grant Notice**”) and a Stock Unit Award Agreement (the “**Award Agreement**”). This Award is subject to all of the terms and conditions as set forth herein and in the applicable Award Agreement and the Plan, each of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan and the Award Agreement. In the event of any conflict between the terms of the Award and the Plan, the terms of the Plan shall control.

Participant: \_\_\_\_\_  
Date of Grant: \_\_\_\_\_  
Vesting Commencement Date: \_\_\_\_\_  
Number of Stock Units: \_\_\_\_\_  
Consideration: Participant’s services to the Company

**Vesting Schedule:** The Stock Units shall vest in a series of five successive equal annual installments over the five-year period measured from the Vesting Commencement Date; provided that vesting shall cease upon Participant’s termination of Continuous Service.

**Delivery Schedule:** Delivery of one share of Common Stock for each Stock Unit that vests shall occur on the applicable vesting date, provided that delivery may be delayed as provided in Section 4 of the Award Agreement.

**Additional Terms/Acknowledgements:** Participant acknowledges receipt of, and understands and agrees to, this Grant Notice, the Award Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the award of the Stock Units and the underlying Common Stock issuable thereunder and supersede all prior oral and written agreements on that subject with the exception of (i) Stock Awards previously granted and delivered to Participant under the Plan, and (ii) the following agreements only:

**Other Agreements:** \_\_\_\_\_

**Dionex Corporation**

**Participant**

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachments:** Award Agreement and Plan



**Dionex Corporation  
2004 Equity Incentive Plan  
Stock Unit Award Agreement**

Pursuant to the Stock Unit Grant Notice (“**Grant Notice**”) and this Stock Unit Award Agreement (“**Agreement**”), Dionex Corporation (the “**Company**”) has awarded you a Stock Unit Award pursuant to Section 8(c) of the Company’s 2004 Equity Incentive Plan (the “**Plan**”) for the number of Stock Units as indicated in the Grant Notice (collectively, the “**Award**”). Defined terms not explicitly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall control. The details of this Award, in addition to those set forth in the Grant Notice, are as follows.

**1. Grant of Award.** This Award represents the right to be issued on a future date the number of shares of Common Stock as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the “**Account**”) the number of shares of Common Stock subject to this Award. This Award was granted in consideration of your services to the Company. Except as otherwise provided herein, you will not be required to make any payment to the Company (other than services to the Company) with respect to your receipt of this Award, the vesting of the Stock Units, or the delivery of the underlying Common Stock.

**2. Vesting.** The Stock Units shall vest, if at all, as provided in the Vesting Schedule set forth in your Grant Notice, provided that vesting shall cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, the shares credited to the Account that were not vested on the date of such termination will be forfeited to the Company and you will have no further right, title or interest in or to such underlying shares of Common Stock.

**3. Number of Stock Units and Shares of Common Stock.**

**(a)** The number of Stock Units subject to this Award and the number of shares of Common Stock deliverable with respect to such Stock Units may be adjusted from time to time for Capitalization Adjustments as described in Section 12(a) of the Plan. You shall receive no benefit or adjustment to this Award with respect to any cash dividend or other distribution that does not result from a Capitalization Adjustment as described in Section 12(a) of the Plan; *provided, however*, that this sentence shall not apply with respect to any shares of Common Stock that are delivered to you in connection with this Award after such shares have been delivered to you.

**(b)** Any additional Stock Units, shares of Common Stock, cash or other property that becomes subject to this Award pursuant to this Section 3 shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Stock Units and Common Stock covered by this Award.

(c) Notwithstanding the provisions of this Section 3, no fractional Stock Units or rights for fractional shares of Common Stock shall be created pursuant to this Section 3. The Board shall, in its discretion, determine an equivalent benefit for any fractional Stock Units or fractional shares that might be created by the adjustments referred to in this Section 3.

#### 4. Delivery of Shares of Common Stock.

(a) Subject to the provisions of this Agreement, in the event one or more Stock Units vest, the Company shall deliver to you one share of Common Stock for each Stock Unit that vests on the applicable vesting date. However, if a scheduled delivery date falls on a date that is not a business day, such delivery date shall instead fall on the next following business day.

(b) Notwithstanding the foregoing, in the event that you are subject to the Company's *Insider Trading and "Window Period" Policy* (or any successor policy) and any shares covered by this Award are scheduled to be delivered on a day (the "**Original Delivery Date**") that does not fall during a "window period" applicable to you, as determined by the Company in accordance with such policy, then such shares shall not be delivered on such Original Delivery Date and shall instead be delivered on the first business day of the next occurring "window period" applicable to you but in no event later than the later of: (i) December 31st of the calendar year of the Original Delivery Date, or (ii) the fifteenth day of the third calendar month following the Original Delivery Date.

(c) The form of such delivery (*e.g.*, a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

**5. Securities Law Compliance.** You may not be issued any Common Stock under this Award unless either (i) the shares of Common Stock are then registered under the Securities Act, or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. This Award must also comply with other applicable laws and regulations governing this Award, and you shall not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

**6. Restrictive Legends.** The Common Stock issued under this Award shall be endorsed with appropriate legends, if any, determined by the Company.

**7. Transfer Restrictions.** This Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the shares of Common Stock subject to the Award until the shares are issued to you in accordance with Section 4 of this Agreement. After the shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein and applicable securities laws. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party



who, in the event of your death, shall thereafter be entitled to receive any distribution of Common Stock to which you were entitled at the time of your death pursuant to this Agreement.

**8. Award not a Service Contract.** This Award is not an employment or service contract, and nothing in this Award shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or any Affiliate, or on the part of the Company or any Affiliate to continue such service. In addition, nothing in this Award shall obligate the Company or any Affiliate, their respective stockholders, boards of directors or employees to continue any relationship that you might have as an Employee or Consultant of the Company or any Affiliate.

**9. Unsecured Obligation.** This Award is unfunded, and even as to any Stock Units which vest, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Common Stock pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the Common Stock acquired pursuant to this Agreement until such Common Stock is issued to you pursuant to Section 4 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company with respect to the Common Stock so issued. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

**10. Withholding Obligations.**

(a) On or before the time you vest in your Stock Units or receive a distribution of Common Stock pursuant to this Award, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Common Stock issuable to you and otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate which arise in connection with this Award (the "**Withholding Taxes**"). Additionally, the Company may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to this Award by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company; (ii) causing you to tender a cash payment; or (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with this Award with a Fair Market Value (measured as of the date shares of Common Stock are issued to pursuant to Section 4) equal to the amount of such Withholding Taxes; *provided, however*, that the number of such shares of Common Stock so withheld shall not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income.

(b) Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Common Stock.

(c) In the event the Company's obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

**11. Notices.** Any notices required to be given or delivered to the Company under the terms of this Award shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to you shall be in writing and addressed to your address as on file with the Company at the time notice is given. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

**12. Headings.** The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

**13. Amendment.** This Agreement may be amended only by a writing executed by the Company and you which specifically states that it is amending this Agreement. Notwithstanding the foregoing, this Agreement may be amended solely by the Company by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Company reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of this Award which has not been delivered to you in Common Stock pursuant to Section 3.

**14. Personal Data.** You understand that your employer, if applicable, the Company, and/or its Affiliates hold certain personal information about you, including but not limited to your name, home address, telephone number, date of birth, national social insurance number, salary, nationality, job title, and details of this Award, including all shares of Common Stock granted, cancelled, vested, unvested, or outstanding (the "**Personal Data**"). Certain Personal Data may also constitute "**Sensitive Personal Data**" or similar and be subject to additional restrictions on collection, processing and use of the same within the meaning of applicable local law. Such data include but are not limited to Personal Data and any changes thereto, and other appropriate personal and financial data about you. You hereby provide express consent to the Company or its Affiliates to collect, hold, and process any such Personal Data and Sensitive Personal Data. You also hereby provide express consent to the Company and/or its Affiliates to transfer any such Personal Data and Sensitive Personal Data outside the country in which you are employed or retained, including the United States. The legal persons for whom such Personal Data are intended are the Company and any broker company providing services to the Company in connection with the administration of the Plan. You have been informed of your right to access and correct your Personal Data by applying to the Company representative identified on the Grant Notice.

## 15. Miscellaneous.

(a) The rights and obligations of the Company under this Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of this Award.

(c) You acknowledge and agree that you have reviewed this Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting this Award and fully understand all provisions of this Award.

(d) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

## 16. Additional Acknowledgements. You hereby consent and acknowledge that:

(a) Participation in the Plan is voluntary and therefore you must accept the terms and conditions of the Plan and this Award as a condition to participate in the Plan and receive this Award.

(b) The Plan is discretionary in nature and the Company can amend, cancel, or terminate it at any time.

(c) This Award and any other Stock Awards under the Plan are voluntary and occasional and do not create any contractual or other right to receive future Stock Awards or other benefits in lieu of future Stock Awards, even if similar Stock Awards have been granted repeatedly in the past.

(d) All determinations with respect to any such future Stock Awards, including, but not limited to, the time or times when such Stock Awards are made, the number of shares of Common Stock, and performance and other conditions applied to the Stock Awards, will be at the sole discretion of the Company.

(e) The value of the shares of Common Stock and this Award is an extraordinary item of compensation, which is outside the scope of your employment, service contract or consulting agreement, if any.

(f) The shares of Common Stock, this Award, or any income derived therefrom are a potential bonus payment not paid in lieu of any cash salary compensation and not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, life or accident insurance benefits, pension or retirement benefits or similar payments.

(g) In the event of the involuntary termination of your Continuous Service, your eligibility to receive shares of Common Stock or payments under the Award or the Plan, if any, will terminate effective as of the date that you are no longer actively employed or retained regardless of any reasonable notice period mandated under local law, except as expressly provided in this Agreement.

(h) The future value of the shares of Common Stock is unknown and cannot be predicted with certainty.

(i) You do not have, and will not assert, any claim or entitlement to compensation, indemnity or damages arising from the termination of this Award or diminution in value of the shares of Common Stock and you irrevocably release the Company, its Affiliates and, if applicable, your employer, if different from the Company, from any such claim that may arise.

(j) The Plan and this Award set forth the entire understanding between you, the Company and any Affiliate regarding the acquisition of the shares of Common Stock and supersedes all prior oral and written agreements pertaining to this Award.

**17. Governing Plan Document.** This Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of this Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. The Company shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Board shall be final and binding upon you, the Company, and all other interested persons. No member of the Board shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

**18. Effect on Other Employee Benefit Plans.** The value of this Award subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

**19. Choice of Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the law of the state of California without regard to such state's conflicts of laws rules.

**20. Severability.** If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**21. Other Documents.** You hereby acknowledge receipt or the right to receive a prospectus providing the information required by Rule 428(b)(1) promulgated under the Securities Act. In addition, you acknowledge that you have read and understand and agree to abide by the terms of the Company's *Insider Trading and "Window Period" Policy*.

\* \* \* \* \*

This Stock Unit Award Agreement shall be deemed to be signed by the Company and you upon your signing of the Grant Notice.

7.

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**Dionex Corporation**  
**2004 Equity Incentive Plan**

**DIONEX CORPORATION**  
**CHANGE IN CONTROL SEVERANCE BENEFIT PLAN**  
**Amended and Restated August 6, 2008**

**Section 1. INTRODUCTION.**

The Dionex Corporation Change in Control Severance Benefit Plan (the "Plan") was established effective as of October 5, 2001 and is hereby amended and restated effective as of August 6, 2008. The purpose of the Plan is to provide for the payment of severance benefits to certain eligible employees of Dionex Corporation (the "Company") whose employment with the Company is terminated following a Change in Control. This Plan shall supersede any severance benefit plan, policy or practice previously maintained by the Company. This Plan document also is the Summary Plan Description for the Plan.

**Section 2. DEFINITIONS.**

For purposes of the Plan, the following terms are defined as follows:

(a) "**Base Salary**" means the Eligible Employee's annual base salary as in effect during the last regularly scheduled payroll period immediately preceding the Change in Control or as increased thereafter.

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Change in Control**" is defined as one or more of the following events:

(i) there is consummated a sale or other disposition of all or substantially all of the assets of the Company (other than a sale to an entity where at least fifty percent (50%) of the combined voting power of the voting securities of such entity are owned by the stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale);

(ii) any person, entity or group (other than the Company, a subsidiary or affiliate of the Company, or a Company employee benefit plan, including any trustee of such plan acting as trustee) becomes the beneficial owner, directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction;

(iii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such transaction, the stockholders immediately prior to the consummation of such transaction do not own, directly or indirectly, outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity in such transaction or more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity in such transaction; or

(iv) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such transaction, the stockholders immediately prior to the consummation of such transaction do not own, directly or indirectly, outstanding voting securities representing at least seventy percent (70%) of the combined outstanding voting power of the surviving entity in such transaction or at least seventy percent (70%) of the combined outstanding voting power of the parent of the surviving entity in such transaction, and the

chief executive officer of the Company is not the chief executive officer of the surviving entity immediately after such transaction.

(d) **“Code”** means the Internal Revenue Code of 1986, as amended, and the regulations and other applicable guidance promulgated thereunder.

(e) **“Company”** means Dionex Corporation or, following a Change in Control, the surviving entity resulting from such transaction.

(f) **“Constructive Termination”** means a voluntary termination of employment by an Eligible Employee after one of the following is undertaken without the Eligible Employee’s express written consent:

(i) the assignment to the Eligible Employee of duties or responsibilities that results in a material diminution in the Eligible Employee’s authority, duties or responsibilities as in effect immediately prior to the Change in Control; *provided, however*, that a change in the Eligible Employee’s title or reporting relationships by itself shall not provide the basis for a Constructive Termination;

(ii) a greater than ten percent (10%) reduction in the Eligible Employee’s base salary, as in effect immediately prior to the Change in Control (or as increased thereafter);

(iii) a change in the Eligible Employee’s business location of more than 35 miles from the business location immediately prior to the Change in Control; or

(iv) a material breach by the Company of any provisions of the Plan or any enforceable written agreement between the Company and the Eligible Employee; or the failure of the Company to arrange for the assumption of this Plan by its successor or assign.

In order to constitute a Constructive Termination, (i) the Eligible Employee must provide written notice to the Company of the occurrence of one or more of the foregoing events within thirty (30) days following the initial occurrence of the event, and (ii) the Company shall not be required to provide any severance benefits under the Plan if it is able to remedy such event(s) within a period of thirty (30) days following such notice.

(g) **“Continuation Period”** means the period for which an Eligible Employee is entitled to receive the benefits described in Section 4(c). The Continuation Period is twelve (12) months.

(h) **“Covered Termination”** means an Involuntary Termination Without Cause or a Constructive Termination, either of which occurs within thirteen (13) months following the effective date of a Change in Control.

(i) **“Eligible Employee”** means an executive employee of the Company who has been designated by the Board as an eligible employee, has not entered into an individual severance benefit or change in control agreement with the Company, and whose employment with the Company terminates due to a Covered Termination.

(j) **“Involuntary Termination Without Cause”** means an involuntary termination of employment by the Company other than for one of the following reasons:

(i) a refusal or failure to follow the lawful and reasonable directions of the Board of Directors or individual to whom the Eligible Employee reports, which refusal or failure is not cured



within 30 days following delivery of written notice of such conduct to the Eligible Employee;

(ii) a material failure by the Eligible Employee to perform his or her duties in a manner reasonably satisfactory to the Board of Directors that is not cured within 30 days following delivery of written notice of such failure to the Eligible Employee; or

(iii) a conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company.

### **Section 3. ELIGIBILITY FOR BENEFITS.**

(a) **General Rules.** Subject to the requirement set forth in this Section, the Company will provide the severance benefits described in Section 4 of the Plan to Eligible Employees. In order to be eligible to receive benefits under the Plan, an Eligible Employee must execute a general waiver and release in substantially the form attached hereto as Exhibit A, Exhibit B or Exhibit C, as appropriate, and such release must become effective in accordance with its terms. The Company, in its sole discretion, may modify the form of the required release to comply with applicable state law. Subject to the foregoing, the Company, in its sole discretion, shall determine the form of the required release.

(b) **Exceptions to Benefit Entitlement.** An employee who otherwise is an Eligible Employee will not receive benefits under the Plan in any of the following circumstances, as determined by the Company in its sole discretion:

(i) The employee has executed an individually negotiated employment contract or agreement with the Company relating to severance benefits or change in control benefits that is in effect on his or her termination date.

(ii) The employee's employment with the Company is involuntarily terminated by the Company other than in an Involuntary Termination without Cause.

(iii) The employee voluntarily terminates employment with the Company and such termination does not constitute a Constructive Termination. Voluntary terminations include, but are not limited to, resignation, retirement or failure to return from a leave of absence on the scheduled date.

(iv) The employee voluntarily terminates employment with the Company in order to accept employment with another entity that is wholly or partly owned (directly or indirectly) by the Company or an affiliate of the Company.

(v) The employee is offered immediate reemployment by a successor to the Company or by a purchaser of its assets, as the case may be, following a change in ownership of the Company or a sale of all or substantially all the assets of a division or business unit of the Company. For purposes of the foregoing, "immediate reemployment" means that the employee's employment with the successor to the Company or the purchaser of its assets, as the case may be, results in uninterrupted employment such that the employee does not suffer a lapse in pay as a result of the change in ownership of the Company or the sale of its assets.

### **Section 4. AMOUNT AND PAYMENT OF BENEFIT.**

(a) **Base Salary.** Each Eligible Employee shall receive twelve (12) months of Base Salary. Subject to Section 4(f), such amount shall be paid in substantially equal installments commencing upon the Eligible Employee's termination of employment pursuant to the Company's regularly scheduled

payroll periods and shall be subject to all required tax withholding.

**(b) Bonus Payment.** Each Eligible Employee shall receive a bonus payment equal to the average of the Eligible Employee's annual bonuses paid by the Company with respect to the last three (3) complete fiscal years of the Company for which the Eligible Employee was eligible to receive a bonus (or such fewer fiscal years of the Company for which such Eligible Employee was eligible to receive an annual bonus); provided, however, that if an Eligible Employee's Covered Termination occurs during the first fiscal year for which he or she was eligible to receive an annual bonus, such Eligible Employee shall receive a bonus payment based on the Eligible Employee's performance through the Covered Termination. Subject to Section 4(f), such amount shall be paid in a lump sum upon the Eligible Employee's termination of employment and shall be subject to all required tax withholding.

**(c) Continued Insurance Benefits.** Provided that the Eligible Employee elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Company shall pay the portion of premiums of each Eligible Employee's group medical, dental and vision coverage, including coverage for the Eligible Employee's eligible dependents, that the Company paid prior to the Covered Termination, for the Continuation Period; *provided, however*, that no such premium payments shall be made following the effective date of the Eligible Employee's coverage by a medical, dental or vision insurance plan of a subsequent employer. Each Eligible Employee shall be required to notify the Company immediately if the Eligible Employee becomes covered by a medical, dental or vision insurance plan of a subsequent employer. No provision of this Plan will affect the continuation coverage rules under COBRA, except that the Company's payment of any applicable insurance premiums during the Continuation Period will be credited as payment by the Eligible Employee for purposes of the Eligible Employee's payment required under COBRA. Therefore, the period during which an Eligible Employee may elect whether or not to continue the Company's group medical, dental or vision coverage under COBRA, the length of time during which COBRA continuation coverage will be made available to the Eligible Employee, and all other rights and obligations of the Eligible Employee under COBRA will be applied in the same manner that such rules would apply in the absence of this Plan. At the conclusion of the Continuation Period, the Eligible Employee will be responsible for the entire payment of premiums required under COBRA for the duration of the COBRA continuation period. For purposes of this Section 4(c), applicable premiums that will be paid by the Company during the Continuation Period shall not include any amounts payable by the Eligible Employee under a Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of the Eligible Employee.

**(d) Acceleration of Vesting.** Effective as of the date of the Covered Termination, each Eligible Employee shall be credited with full acceleration of vesting for all options outstanding that the Eligible Employee holds on such date that have not yet vested.

**(e) Outplacement Services.** On behalf of the Eligible Employee, the Company shall pay for an executive assistance program for a period not to exceed three (3) months and at a cost not to exceed \$7,500, provided that the Eligible Employee enrolls in the program within six (6) months following the Covered Termination.

**(f) Payment of Benefits.** If the Company determines that any payments or benefits provided to an Eligible Employee pursuant to Section 4 (any such payments or benefits, the "Plan Payments") constitute "deferred compensation" under Section 409A of the Code (together, with any state law of similar effect, "Section 409A") and if the Eligible Employee is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i) (a "Specified Employee"), then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the Plan Payments will be delayed as follows: on the earliest to occur of (1) the date that is six (6) months and one (1) day after the date of the Eligible Employee's termination of employment, and (2)

the date of the Eligible Employee's death (such earliest date, the "Delayed Initial Payment Date"), the Company shall (i) pay the Eligible Employee a lump sum amount equal to the sum of the Plan Payments that the Eligible Employee would otherwise have received through the Delayed Initial Payment Date if the commencement of the payment of the Plan Payments had not been delayed pursuant to this Section 4(f) and (ii) commence paying the balance of the Plan Payments in accordance with the applicable payment schedule set forth in Section 4. Prior to the imposition of any delay on the Plan Payments as set forth above, it is intended that (A) each installment of the Plan Payments be regarded as a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i), (B) all Plan Payments satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(iii), and (C) the Plan Payments consisting of COBRA premiums also satisfy, to the greatest extent possible, the exemption from the application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(9)(v).

## **Section 5. LIMITATIONS ON BENEFITS.**

**(a) Release.** To receive benefits under this Plan, an Eligible Employee must execute a release of claims in favor of the Company, in the form attached to this Plan as Exhibit A, Exhibit B or Exhibit C, as appropriate, and such release must become effective in accordance with its terms.

**(b) Certain Reductions and Offsets.** Notwithstanding any other provision of the Plan to the contrary, any benefits payable to an Eligible Employee under this Plan shall be reduced by any severance benefits payable by the Company to such individual under any other policy, plan, program or arrangement, including, without limitation, a contract between the Eligible Employee and any entity, covering such individual. Furthermore, to the extent that any federal, state or local laws, including, without limitation, so-called "plant closing" laws or statutory severance requirements, require the Company to give advance notice or make a payment of any kind to an Eligible Employee because of that Eligible Employee's involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, change of control, or any other similar event or reason, the benefits payable under this Plan shall either be reduced or eliminated. The benefits provided under this Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan.

**(c) Mitigation.** Except as otherwise specifically provided herein, an Eligible Employee shall not be required to mitigate damages or the amount of any payment provided under this Plan by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Plan be reduced by any compensation earned by an Eligible Employee as a result of employment by another employer or any retirement benefits received by such Eligible Employee after the date of the Covered Termination.

**(d) Termination of Benefits.** Benefits under this Plan shall terminate immediately if the Eligible Employee, at any time, violates any proprietary information or confidentiality obligation to the Company.

**(e) Non-Duplication of Benefits.** No Eligible Employee is eligible to receive benefits under this Plan more than one time.

**(f) Indebtedness of Eligible Employees.** If a terminating employee is indebted to the Company or an affiliate of the Company at his or her termination date, the Company reserves the right to offset any severance payments under the Plan by the amount of such indebtedness.

**(g) Parachute Payments.** If any payment or benefit the Eligible Employee would receive in

connection with a Change in Control from the Company or otherwise (“Payment”) would (i) constitute a “parachute payment” within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then such Payment shall be equal to the Reduced Amount. The “Reduced Amount” shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in the Eligible Employee’s receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting “parachute payments” is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order unless the Eligible Employee elects in writing a different order (*provided, however*, that such election shall be subject to Company approval if made on or after the date on which the event that triggers the Payment occurs): reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Eligible Employee’s stock awards unless the Eligible Employee elects in writing a different order for cancellation.

The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and the Eligible Employee within fifteen (15) calendar days after the date on which the Eligible Employee’s right to a Payment is triggered (if requested at that time by the Company or the Eligible Employee) or such other time as requested by the Company or the Eligible Employee. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and the Eligible Employee with an opinion reasonably acceptable to the Eligible Employee that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and the Eligible Employee.

#### **Section 6. RIGHT TO INTERPRET PLAN; AMENDMENT AND TERMINATION.**

**(a) Exclusive Discretion.** The Plan Administrator shall have the exclusive discretion and authority to establish rules, forms, and procedures for the administration of the Plan and to construe and interpret the Plan and to decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Plan, including, but not limited to, the eligibility to participate in the Plan and amount of benefits paid under the Plan. The rules, interpretations, computations and other actions of the Plan Administrator shall be binding and conclusive on all persons.

**(b) Amendment or Termination.** The Company reserves the right to amend or terminate this Plan or the benefits provided hereunder at any time; *provided, however*, that no such amendment or termination shall occur following a Change in Control if such amendment or termination would affect the rights of any persons who were employed by the Company prior to the Change in Control. Any action amending or terminating the Plan shall be in writing and executed by the chairman of the Compensation

Committee of the Board of Directors of the Company.

**(c) Assumption.** Any successor or assign of the Company shall be required to assume this Plan.

**Section 7. TERMINATION OF CERTAIN EMPLOYEE BENEFITS.**

All non-health benefits (such as life insurance, disability and 401(k) plan coverage) terminate as of the employee's termination date (except to the extent that a conversion privilege may be available thereunder).

**Section 8. NO IMPLIED EMPLOYMENT CONTRACT.**

The Plan shall not be deemed (i) to give any employee or other person any right to be retained in the employ of the Company or (ii) to interfere with the right of the Company to discharge any employee or other person at any time, with or without cause, which right is hereby reserved.

**Section 9. LEGAL CONSTRUCTION.**

This Plan is intended to be governed by and shall be construed in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA") and, to the extent not preempted by ERISA, the laws of the State of California.

**Section 10. CLAIMS, INQUIRIES AND APPEALS.**

**(a) Applications for Benefits and Inquiries.** Any application for benefits, inquiries about the Plan or inquiries about present or future rights under the Plan must be submitted to the Plan Administrator in writing by an applicant (or his or her authorized representative). The Plan Administrator is:

Dionex Corporation  
Attn: Director of Human Resources  
1228 Titan Way  
Sunnyvale, CA 94086

**(b) Denial of Claims.** In the event that any application for benefits is denied in whole or in part, the Plan Administrator must provide the applicant with written or electronic notice of the denial of the application, and of the applicant's right to review the denial. Any electronic notice will comply with the regulations of the U.S. Department of Labor. The notice of denial will be set forth in a manner designed to be understood by the applicant and will include the following:

- (i)** the specific reason or reasons for the denial;
- (ii)** references to the specific Plan provisions upon which the denial is based, ;
- (iii)** a description of any additional information or material that the Plan Administrator needs to complete the review and an explanation of why such information or material is necessary; and
- (iv)** an explanation of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA following a denial on review of the claim, as described in Section 10(d) below.

This notice of denial will be given to the applicant within ninety (90) days after the Plan

Administrator receives the application, unless special circumstances require an extension of time, in which case, the Plan Administrator has up to an additional ninety (90) days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial ninety (90) day period.

This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the application.

**(c) Request for a Review.** Any person (or that person's authorized representative) for whom an application for benefits is denied, in whole or in part, may appeal the denial by submitting a request for a review to the Plan Administrator within sixty (60) days after the application is denied. A request for a review shall be in writing and shall be addressed to:

Dionex Corporation  
Attn: Director of Human Resources  
1228 Titan Way  
Sunnyvale, CA 94086

A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the applicant feels are pertinent. The applicant (or his or her representative) shall have the opportunity to submit (or the Plan Administrator may require the applicant to submit) written comments, documents, records, and other information relating to his or her claim. The applicant (or his or her representative) shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim. The review shall take into account all comments, documents, records and other information submitted by the applicant (or his or her representative) relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

**(d) Decision on Review.** The Plan Administrator will act on each request for review within sixty (60) days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional sixty (60) days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial sixty (60) day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the review. The Plan Administrator will give prompt, written or electronic notice of its decision to the applicant. Any electronic notice will comply with the regulations of the U.S. Department of Labor. In the event that the Plan Administrator confirms the denial of the application for benefits in whole or in part, the notice will set forth, in a manner calculated to be understood by the applicant, the following:

- (i) the specific reason or reasons for the denial;
- (ii) references to the specific Plan provisions upon which the denial is based;
- (iii) a statement that the applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim; and
- (iv) a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA.

**(e) Rules and Procedures.** The Plan Administrator will establish rules and procedures,

consistent with the Plan and with ERISA, as necessary and appropriate in carrying out its responsibilities in reviewing benefit claims. The Plan Administrator may require an applicant who wishes to submit additional information in connection with an appeal from the denial of benefits to do so at the applicant's own expense.

**(f) Exhaustion of Remedies.** No legal action for benefits under the Plan may be brought until the applicant (i) has submitted a written application for benefits in accordance with the procedures described by Section 10(a) above, (ii) has been notified by the Plan Administrator that the application is denied, (iii) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 10(c) above, and (iv) has been notified that the Plan Administrator has denied the appeal. Notwithstanding the foregoing, if the Plan Administrator does not respond to an applicant's claim or appeal within the relevant time limits specified in this Section 10, the applicant may bring legal action for benefits under the Plan pursuant to Section 502(a) of ERISA.

#### **Section 11. BASIS OF PAYMENTS TO AND FROM PLAN.**

All benefits under the Plan shall be paid by the Company. The Plan shall be unfunded, and benefits hereunder shall be paid only from the general assets of the Company.

#### **Section 12. OTHER PLAN INFORMATION.**

**(a) Employer and Plan Identification Numbers.** The Employer Identification Number assigned to the Company (which is the "Plan Sponsor" as that term is used in ERISA) by the Internal Revenue Service is 94-2647429. The Plan Number assigned to the Plan by the Plan Sponsor pursuant to the instructions of the Internal Revenue Service is 510.

**(b) Ending Date for Plan's Fiscal Year.** The date of the end of the fiscal year for the purpose of maintaining the Plan's records is June 30.

**(c) Agent for the Service of Legal Process.** The agent for the service of legal process with respect to the Plan is Dionex Corporation, Attn: Director of Human Resources, 1228 Titan Way, Sunnyvale, CA 94086.

**(d) Plan Sponsor and Administrator.** The "Plan Sponsor" and the "Plan Administrator" of the Plan is Dionex Corporation, Attn: Director of Human Resources, 1228 Titan Way, Sunnyvale, CA 94086. The Plan Sponsor's and Plan Administrator's telephone number is (408) 737-0700. The Plan Administrator is the named fiduciary charged with the responsibility for administering the Plan.

#### **Section 13. STATEMENT OF ERISA RIGHTS.**

Participants in this Plan (which is a welfare benefit plan sponsored by Dionex Corporation) are entitled to certain rights and protections under ERISA. An Eligible Employee is considered a participant in the Plan and, under ERISA, is entitled to:

**(a) Receive Information About the Plan and Benefits.**

(i) Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series), if applicable, filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;

(ii) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if applicable, and an updated (as necessary) Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies; and

(iii) Receive a summary of the Plan's annual financial report, if applicable. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

**(b) Prudent Actions by Plan Fiduciaries.** In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Plan participants and beneficiaries. No one, including the employer of the participants or any other person, may fire a participant or otherwise discriminate against participants in any way to prevent a participant from obtaining a Plan benefit or exercising his or her rights under ERISA.

**(c) Enforce Participant Rights.** If a participant's claim for a Plan benefit is denied or ignored, in whole or in part, the participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a participant can take to enforce the above rights. For instance, if a participant requests a copy of Plan documents or the latest annual report from the Plan, if applicable, and does not receive them within thirty (30) days, he or she may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the participant up to \$110 a day until he or she receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If a participant has a claim for benefits that is denied or ignored, in whole or in part, he or she may file suit in a state or Federal court.

If a participant is discriminated against for asserting his or her rights, the participant may seek assistance from the U.S. Department of Labor, or he or she may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If the participant is successful, the court may order the person the participant has sued to pay these costs and fees. If the participant loses, the court may order the participant to pay these costs and fees, for example, if it finds his or her claim is frivolous.



**(d) Assistance with Questions.** If a participant has any questions about the Plan, the participant should contact the Plan Administrator. If a participant has any questions about this statement or about his or her rights under ERISA, or if a participant needs assistance in obtaining documents from the Plan Administrator, the participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. Participants may also obtain certain publications about their rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

**Section 14. EXECUTION.**

To record the amendment and restatement of the Plan as set forth herein, effective as of \_\_\_\_\_, 2008, Dionex Corporation has caused its duly authorized officer to execute the same this \_\_\_ day of \_\_\_\_\_, 2008.

**DIONEX CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**RELEASE**  
**(Individual Termination, age 40 and older)**

I understand and agree completely to the terms set forth in the Dionex Corporation Change in Control Severance Benefit Plan (the "Plan"). I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under the Company's proprietary information and inventions agreement.

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: "**A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**" I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims I may have against the Company.

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time up to and including the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended; the federal Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the federal Employee Retirement Income Security Act of 1974, as amended; the federal Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act, as amended; tort law; contract law; wrongful discharge; discrimination; fraud; defamation; emotional distress; and breach of the implied covenant of good faith and fair dealing; *provided, however*, that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to the Company's indemnification obligation pursuant to agreement or applicable law.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under ADEA. I also acknowledge that the consideration given under the Plan for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have

seven (7) days following my execution of this Release to revoke the Release; and (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth (8<sup>th</sup>) day after I execute this Release.

**EMPLOYEE**

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

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**EXHIBIT B**

**RELEASE(Individual and Group Termination, under age 40)**

I understand and agree completely to the terms set forth in the Dionex Corporation Change in Control Severance Benefit Plan (the "Plan"). I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under the Company's proprietary information and inventions agreement.

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: "**A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**" I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims I may have against the Company.

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time up to and including the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended; the federal Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the federal Employee Retirement Income Security Act of 1974, as amended; the federal Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act, as amended; tort law; contract law; wrongful discharge; discrimination; fraud; defamation; emotional distress; and breach of the implied covenant of good faith and fair dealing; *provided, however*, that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to the Company's indemnification obligation pursuant to agreement or applicable law.

**EMPLOYEE**

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT C**  
**RELEASE**  
**(Group Termination, age 40 and older)**

I understand and agree completely to the terms set forth in the Dionex Corporation Change in Control Severance Benefit Plan (the "Plan"). I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under the Company's proprietary information and inventions agreement.

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: "**A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**" I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims I may have against the Company.

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time up to and including the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended; the federal Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the federal Employee Retirement Income Security Act of 1974, as amended; the federal Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act, as amended; tort law; contract law; wrongful discharge; discrimination; fraud; defamation; emotional distress; and breach of the implied covenant of good faith and fair dealing; *provided, however*, that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to the Company's indemnification obligation pursuant to agreement or applicable law.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under ADEA. I also acknowledge that the consideration given under the Plan for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (A) my waiver and

release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have forty-five (45) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have seven (7) days following my execution of this Release to revoke the Release; (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth day (8th) after I execute this Release; and (F) I have received with this Release a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated.

**EMPLOYEE**

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

## SUBSIDIARIES OF DIONEX CORPORATION

The following table sets forth the names of the subsidiaries of Dionex Corporation, the state or other jurisdiction of incorporation or organization of each, and the names under which subsidiaries do business as of June 30, 2008.

Name of Subsidiary	State or other Jurisdiction of incorporation or organization	Name under which subsidiary does business
Dionex (U.K.) Limited	England	Dionex (U.K.) Ltd.
Dionex GmbH	Germany	Dionex GmbH
Dionex S.p.A.	Italy	Dionex S.p.A.
Dionex S.A.	France	Dionex S.A.
Dionex(Europe)Management AG	Switzerland	Dionex European Management
Dionex Export Corporation	U.S. Virgin Islands	Dionex Export Corporation
Dionex Canada Ltd. /Ltee.	Canada	Dionex Canada Ltd./Ltee
Dionex Benelux B.V.	The Netherlands	Dionex Benelux B.V.
Nippon Dionex K.K.	Japan	Nippon Dionex K.K.
Dionex (Switzerland) AG	Switzerland	Dionex(Switzerland) AG
Dionex Austria GmbH	Austria	Dionex Austria GmbH
Dionex Softron GmbH	Germany	Dionex Softron GmbH
Dionex Holding GmbH	Germany	Dionex Holding GmbH
Dionex Denmark A/S	Denmark	Dionex Denmark A/S
Dionex China Ltd.	China	Dionex China Ltd.
Dionex Korea Ltd.	Korea	Dionex Korea Ltd.
Dionex Pty Ltd. (AU)	Australia	Dionex Pty Ltd.
Dionex Pty Ltd. (NZ)	New Zealand	Dionex Pty Ltd.
Dionex (India) Pvt. Ltd.	India	Dionex (India) Pvt. Ltd.
Dionex Brazil Ltda	Brazil	Dionex Brazil Instrumentos Cientificos Ltda
Dionex Taiwan Ltd.	Taiwan	Dionex Taiwan Ltd.
Dionex Singapore PTD Ltd.	Singapore	Dionex Singapore PTD LTD.
Dionex Sweden AB	Sweden	Dionex Sweden AB
Dionex Ireland Ltd.	Ireland	Dionex Ireland Ltd.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statements No. 333-121081, 333-83444, 333-93473, 33-12399, 333-39319, 33-78584, 33-40796, 333-65081 and 33-142014 on Form S-8 of our reports dated August 29, 2008, relating to the consolidated financial statements and consolidated financial statement schedule of Dionex Corporation and subsidiaries, and the effectiveness of Dionex Corporation's internal control over financial reporting (which report on the consolidated financial statements includes an explanatory paragraph relating to the adoption of Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*), appearing in the Annual Report on Form 10-K of Dionex Corporation for the year ended June 30, 2008.

/s/ Deloitte & Touche LLP

San Jose, California  
August 29, 2008



## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Lukas Braunschweiler, certify that:

1. I have reviewed this Annual Report on Form 10-K of Dionex Corporation;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to

2. make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 29, 2008

/s/ Lukas Braunschweiler

Lukas Braunschweiler  
President, Chief Executive Officer and Director

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Craig A. McCollam, certify that:

1. I have reviewed this Annual Report on Form 10-K of Dionex Corporation;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to

2. make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 29, 2008

/s/ Craig A. McCollam

Craig A. McCollam

Senior Vice President and Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Lukas Braunschweiler, Chief Executive Officer of Dionex Corporation, hereby certifies that, to the best of his knowledge:

1. Our Annual Report on Form 10-K for the period ended June 30, 2008, and to which this Certification is attached (the "Annual Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of our operations.

By: /s/ Lukas Braunschweiler

\_\_\_\_\_  
Name: Lukas Braunschweiler

Title: President, Chief Executive Officer and Director

Dated: August 29, 2008

CERTIFICATION OF CHIEF FINANCIAL OFFICIER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Craig A. McCollam, Chief Financial Officer of Dionex Corporation, hereby certifies that, to the best of his knowledge:

1. Our Annual Report on Form 10-K for the period ended June 30, 2008, and to which this Certification is attached (the "Annual Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of our operations.

By: /s/ Craig A. McCollam

Name: Craig A. McCollam

Title: Senior Vice-President and Chief Financial Officer

Dated: August 29, 2008