FORM 10-K

Annual report pursuant to section 13 and 15(d)

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PERKIN ELMER CORP

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant To Section 13 Or 15(d)
Of The Securities Exchange Act Of 1934
For the Fiscal Year Ended June 30, 1994

OR

[ ] Transition Report Pursuant To Section 13 Or 15(d)
Of The Securities Exchange Act Of 1934
For the transition period from to

Commission File Number 1-4389

The Perkin-Elmer Corporation
(Exact name of registrant as specified in its charter)

NEW YORK	06-0490270
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
761 Main Avenue, Norwalk, Connecticut	06859-0001
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number including area code: 203-762-1000

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

Title of class	Name of each exchange on which registered
Common Stock (par value $1.00 per share)	New York Stock Exchange Pacific Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

X Yes No

As of September 6, 1994, 42,489,989 shares of Registrant's Common Stock were outstanding, and the aggregate market value of shares of such Common Stock (based upon the average sales price) held by non-affiliates was approximately $1,269,389,727.

DOCUMENTS INCORPORATED BY REFERENCE

Annual Report to Shareholders for Fiscal Year ended June 30, 1994 - Parts I, II, and IV.

Proxy Statement for Annual Meeting of Shareholders dated September 16, 1994 - Part III.

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. [ ]

PART I

Item 1. BUSINESS

(a) General Development of Business.

The Perkin-Elmer Corporation was incorporated in 1939 under the laws of the State of New York. Together with its consolidated subsidiaries, The Perkin-Elmer Corporation (hereinafter collectively referred to as "Registrant" or the "Corporation") develops, manufactures, and sells products in the industry segment described in sub-item (c) below.

On February 18, 1993, the shareholders of Registrant and Applied Biosystems, Inc. ("ABI"), a supplier of automated systems for life science research and related applications, approved the merger of a subsidiary of Registrant with and into ABI which resulted in ABI becoming a wholly-owned subsidiary of Registrant. Effective July 1, 1994, ABI was merged into Registrant and is now the Applied Biosystems division of Registrant.

On July 29, 1993, Registrant announced plans to divest its Material Sciences segment which consists of its Metco Division ("Metco") headquartered in Westbury, New York. On April 18, 1994, Registrant entered into an agreement with Sulzer Inc. to sell Metco. Registrant expects to complete the sale in calendar year 1994.

The consolidated financial statements and schedules reflect the merger with ABI as a pooling of interests and present the Corporation's Material Sciences segment as a discontinued operation.

On May 18, 1993, Registrant amended its By-laws to change Registrant's fiscal year end from July 31 to June 30. Prior to fiscal 1993, the financial statements of ABI and Registrant's subsidiaries outside the United States were for fiscal years ended June 30, while Registrant's domestic operations reported on a July 31 fiscal year end.

In fiscal year 1990 Registrant divested the net assets of what had been its Semiconductor Equipment, Avionic Instrumentation, and Electro-Optical segments.

(b) Financial Information About Industry Segments.

Registrant is engaged in one business segment which is

generally described as analytical instruments. Accordingly, separate segment financial information is not provided.

(c) Narrative Description of Business.

BUSINESS

Registrant develops, manufactures, markets, sells, and services analytical instrument systems. Included in this industry segment are biochemical analytical instrument systems, consisting of instruments and associated consumable products, for life science research and related applications. These automated systems are used for synthesis, amplification, purification, isolation, analysis and sequencing of nucleic acids, proteins, and other biological molecules. This industry segment also includes analytical instrument systems for determining the composition and molecular structure of chemical substances (both organic and inorganic) and measuring the concentration of materials in a sample. These instruments include: spectrophotometers utilizing a number of analytical techniques; gas and liquid chromatographs; thermal analyzers; thermal cyclers; analytical balances; flame photometers; polarimeters; data-handling devices that are principally designed for use with analytical instruments; and data systems for applications in analytical chemistry. In a joint venture, Perkin-Elmer Sciex Instruments, Registrant is engaged in the manufacture and sale of mass spectrometry instrument systems. Registrant also develops, manufactures, markets, and services on-line, real time, process analysis systems to monitor process quality and environmental purity.

Registrant's instruments are used by private industry, educational and research institutions, and governmental entities for fundamental research, applied industrial research, quality control, medical research, hospital clinical testing, pollution analysis, drug identification, and forensics.

MARKETING AND DISTRIBUTION

In the United States, Registrant markets the largest portion of its products directly through its own sales and distribution organization, although certain analytical instruments are marketed through independent distributors and sales representatives. Sales to major markets outside of the United States are generally made by foreign sales subsidiaries, although some sales are made directly from the United States to foreign customers. In foreign countries where sales potential does not warrant the establishment of a sales subsidiary, sales are made through various representative and distributorship arrangements. Registrant owns or leases sales and service offices in strategic regional locations in the United States, and in foreign countries through its foreign sales subsidiaries and distribution operations. None of Registrant's products is distributed

through retail outlets.

RAW MATERIALS

There are no specialized raw materials that are particularly essential to the operation of Registrant's business. Registrant's manufacturing operations require a wide variety of raw materials, electronic and mechanical components, chemical and biochemical materials, and other supplies, some of which are occasionally found to be in short supply. Registrant has multiple commercial sources for most components and supplies but is dependent on single sources for a limited number of such items, in which case Registrant normally secures long term supply contracts.

PATENTS, LICENSES, AND FRANCHISES

Registrant has pursued a policy of seeking patent protection in the United States and other countries for developments, improvements, and inventions originating within its organization

which are incorporated in Registrant's products or which fall within its fields of interest. Certain licenses under patents have been granted to, and received from, other entities. Registrant is licensed by Hoffmann-La Roche Inc. under patents relating to polymerase chain reaction technology ("PCR"), which patents expire July 28, 2004. In Registrant's opinion, however, no other single patent or license, or group of patents or licenses, or any franchise, is material to its business as a whole.

From time to time, Registrant has asserted that various competitors and others are infringing Registrant's patents and similarly, from time to time, others have asserted that Registrant was infringing patents owned by them. Generally, such claims are settled by mutual agreement on a satisfactory basis and have resulted in the granting of licenses by Registrant or the granting of licenses to Registrant.

SEASONAL FLUCTUATIONS

Registrant's business is not subject to pronounced seasonal fluctuations.

BACKLOG

Registrant's recorded backlog was approximately $155 million at June 30, 1994 and 1993. With respect to commercial products, it is Registrant's general policy to include in backlog only purchase orders or production releases which have firm delivery dates within one year. Recorded backlog may not result in sales because of cancellation or other factors. It is anticipated that all orders included in the current backlog will be delivered before the close of fiscal year 1995.

UNITED STATES GOVERNMENT SALES

No material portion of Registrant's business is subject to renegotiation of profits or termination of contracts or subcontracts at the election of the United States Government.

COMPETITION

The industry segment in which Registrant operates is highly competitive and is characterized by the application of advanced technology. There are numerous companies which specialize in, and a number of larger companies which devote a significant portion of their resources to, the development, manufacture, and sale of products which compete with those manufactured or sold by Registrant. Many of Registrant's competitors are well-known manufacturers with a high degree of technical proficiency. In addition, competition is intensified by the ever-changing nature of the technologies in the industry in which Registrant is engaged. The markets for Registrant's products are characterized by specialized manufacturers that often have strength in narrow segments of these markets. While the absence of reliable statistics makes it difficult to determine Registrant's relative market position, Registrant is confident it is one of the principal manufacturers in its field, marketing a broad line of analytical instruments and life science systems. In addition to competing in terms of the technology that Registrant offers, Registrant competes in terms of price, service, and quality.

RESEARCH, DEVELOPMENT, AND ENGINEERING

Registrant is actively engaged in basic and applied research, development, and engineering programs designed to develop new products and to improve existing products. During fiscal years 1994, 1993, and 1992, Registrant spent approximately $94 million, $84 million, and $81 million, respectively, on company sponsored research, development, and engineering activities.

ENVIRONMENTAL MATTERS

Registrant is subject to federal, state, and local laws and regulations regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, in those jurisdictions where Registrant operates or maintains facilities. Registrant does not believe that compliance with all environmental provisions will have a material effect on its business, and no material capital expenditures are expected for environmental control.

EMPLOYEES

As of June 30, 1994, Registrant employed 5,954 persons worldwide. None of Registrant's United States employees is subject to collective bargaining agreements.

(d) Financial Information About Foreign and Domestic Operations and Export Sales.

A summary of net revenues to unaffiliated customers, operating income, and identifiable assets attributable to each of Registrant's geographic areas and export sales for the fiscal years 1994, 1993, and 1992 is incorporated herein by reference to Note 6 on Pages 38-40 of the Annual Report to Shareholders for the fiscal year ended June 30, 1994.

Registrant's consolidated net revenues to unaffiliated customers in countries other than the United States for the fiscal years 1994, 1993, and 1992 were approximately $607 million, $607 million, and $558 million, or approximately 59%, 60%, and 58%, respectively, of Registrant's consolidated net revenues.

All of the Registrant's manufacturing facilities outside of the continental United States are located in Germany, the United Kingdom, the Commonwealth of Puerto Rico, Japan, and the Peoples Republic of China. There are currently no material foreign exchange controls or similar limitations restricting the repatriation to the United States of capital or earnings from operations outside the United States.

(e) Discontinued Operations

On July 29, 1993, Registrant announced its plans to divest Metco headquartered in Westbury, New York. Metco produces combustion, electric arc and plasma thermal spray equipment and supplies. Registrant has entered into an agreement with Sulzer Inc., a wholly-owned subsidiary of Sulzer Ltd., Winterthur, Switzerland for the sale of Metco. The completion of the sale is subject to closing conditions, including obtaining relevant government regulatory approvals. The transaction has taken longer to complete than expected due primarily to obtaining necessary government approvals in both the U.S. and Europe. As a result of this and negative operating factors, Registrant recorded an after-tax loss on disposal of $7.7 million during the fourth quarter of fiscal year 1994.

On October 5, 1992, prior to its merger with Registrant, ABI announced the decision to distribute to its shareholders approximately 82% of the stock of its subsidiary, Lynx Therapeutics, Inc. ("Lynx"), the successor to ABI's therapeutics division. The financial statements reflect the Lynx operating results as a discontinued operation. The net assets of Lynx were not significant.

Item 2. PROPERTIES

Listed below are the principal facilities of Registrant as of June 30, 1994. Registrant considers all facilities

listed below to be reasonably appropriate for the purpose(s) for which they are used, including manufacturing, research and development, and administrative purposes. All properties are maintained in good working order and, except for those held for sale or lease, are substantially utilized on the basis of at least one shift. None of the leased facilities is leased from an affiliate of Registrant.

Location	Owned or Leased	Expiration Date of Lease	Approximate Floor Area In Sq. Ft
Norwalk, CT	Owned		402,000
Wilton, CT	Owned		262,000
San Jose, CA	Owned		81,000
Beaconsfield, England	Owned		70,000
Ueberlingen, Germany	Owned		65,000
Warrington, England	Owned		58,000
Narita, Japan	Owned		24,000
Irvine, CA	Owned		22,000
Foster City, CA	Leased	1994-2000	319,000
Ueberlingen, Germany	Leased	1995-2001	196,000
Llantrinsant, Wales	Leased	1996	113,000
Mayaguez, Puerto Rico	Leased	1997-1998	34,000
Oberschleissheim, Germany	Leased	1995	19,000
Beaconsfield, England	Leased	2005	8,000
Beijing, China	Leased	1996	350

In addition to the facilities listed above, Registrant leases space in certain industrial centers for use as sales and service offices and for warehousing. Registrant also owns undeveloped land in Redding, Connecticut, San Jose and Vacaville, California and Oberschleissheim, Germany.

In addition to the properties used by Registrant in its operations, Registrant owns three facilities in Wilton, Connecticut (aggregating approximately 248,000 square feet) which are currently leased to SVG Lithography Systems, Inc. for a term expiring in 2010, a facility in Garden Grove, California (approximately 82,000 square feet) which is currently leased to OCA Applied Optics, Inc. for a term expiring in 1995, and a facility in Pomona, California (approximately 135,000 square feet) which is currently leased to Orbital Sciences Corporation for a term expiring in 2003. Registrant also owns a facility in Ridgefield, Connecticut (approximately 201,000 square feet), a facility in Wilton, Connecticut (approximately 51,000 square feet), and a facility in San Jose, California (approximately 67,000 square feet) which are held for sale or lease.

Listed below are the principal facilities utilized as of June 30, 1994 by Metco, which is being accounted for as a discontinued operation. Registrant considers such facilities to be reasonably appropriate for the purpose(s) for which they

are used, including manufacturing, research and development, and administrative purposes. All properties are maintained in good working order and are substantially utilized on the basis of at least one shift.

Location	Owned or Leased	Approximate Floor Area In Sq. Ft.
Westbury, NY	Owned	137,000
Duffy Avenue, Hicksville, NY	Owned	103,000
Chobham-Woking, England	Owned	78,000
Hattersheim, Germany	Owned	69,000
Miller Place, Hicksville, NY	Owned	59,000

Item 3. LEGAL PROCEEDINGS

The Corporation has been named as a defendant in several legal actions arising from the conduct of its normal business activities. Although the amount of any liability that might arise with respect to any of these matters cannot be accurately predicted, the resulting liability, if any, will not in the opinion of management of Registrant have a material adverse effect on the financial statements of Registrant. In addition, although no legal claim was filed, the Corporation participated in the United States government's investigation of the Hubble Space Telescope. Registrant settled all of the government's potential claims with regard to this matter on October 4, 1993, for $15 million.

Registrant is one of approximately 125 third party defendants named in United States of America v. Davis et al. which is pending in the United States District Court for the District of Rhode Island. The third party plaintiffs, who were named as defendants and potentially responsible parties in the Government's initial complaint, seek equitable contribution and indemnification in the event they are found liable for remediation costs relating to the removal of hazardous substances from a site located in Smithfield, Rhode Island (initially estimated by the Government to be $27.8 million but most recently estimated to be $77.5 million). A trial on the question of the third party plaintiffs' liability to the Government has been held, but no decision has been rendered. Until the liability of the third party plaintiffs has been established, the court will not consider the amount of any such liability or the validity of any third party claims. While the Registrant contends that it should have no liability in this case, because of the uncertainty of all litigation, it cannot definitively state that it will incur less than $100,000 in monetary sanctions.

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

No matter was submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the fiscal year covered by this report.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) Market Information.

The principal United States market where Registrant's Common Stock is traded is the New York Stock Exchange, although such stock is also traded on the Pacific Stock Exchange.

The following information, which appears in Registrant's Annual Report to Shareholders for the fiscal year ended June 30, 1994, is hereby incorporated by reference in this Form 10-K: the high and low sales prices of Registrant's Common Stock for each quarterly period during the fiscal years 1994 and 1993 (Note 14, Page 43 of the Annual Report to Shareholders).

(b) Holders.

On September 6, 1994, the approximate number of holders of Common Stock of Registrant was 8,975. The approximate number of record holders is based upon the actual number of holders registered in the books of Registrant at such date and does not include holders of shares in "street name" or persons, partnerships, associations, corporations, or other entities identified in security position listings maintained by depositary trust companies. Note: the calculation of the number of shares of Registrant's Common Stock held by non-affiliates shown on the cover of this Form 10-K was made on the assumption that there were no affiliates other than executive officers and directors.

(c) Dividends.

The following information which appears in Registrant's Annual Report to Shareholders for the fiscal year ended June 30, 1994, is hereby incorporated by reference in this Form 10-K: the amount of quarterly dividends paid during the fiscal years 1994 and 1993 (Note 14, Page 43 of the Annual Report to Shareholders).

Item 6. SELECTED FINANCIAL DATA

Registrant hereby incorporates by reference in this Form 10-K Page 20 of Registrant's Annual Report to Shareholders for the fiscal year ended June 30, 1994.

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

Registrant hereby incorporates by reference in this Form 10-K Pages 21-25 of Registrant's Annual Report to Shareholders for the fiscal year ended June 30, 1994.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements and the supplementary financial information included in Registrant's Annual Report to Shareholders for the fiscal year ended June 30, 1994 are incorporated by reference in this Form 10-K: the Consolidated Financial Statements and the report thereon of Price Waterhouse LLP dated July 28, 1994, and Pages 26-45 of said Annual Report, including Note 14, Page 43, which contains unaudited quarterly financial information.

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

Registrant has not changed its public accounting firm within 24 months prior to June 30, 1994, the date of Registrant's most recent financial statements.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Identification and Background of Directors.

Registrant hereby incorporates by reference in this Form 10-K Pages 2-4 of Registrant's Proxy Statement dated September 16, 1994, in connection with its Annual Meeting of Shareholders to be held on October 20, 1994.

(b) Identification of Executive Officers.

The following is a list of Registrant's executive officers, their ages, and their positions and offices with the Registrant, as of September 14, 1994.

<TABLE>
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Name	Age	Present Positions and Year First Elected
William F. Emswiler	50	Vice President, Finance, Chief Financial Officer (1992)
Julianne A. Grace	56	Vice President (1986), Corporate Relations (1990)
Gaynor N. Kelley	63	Chairman and Chief Executive Officer (1990)
Joseph E. Malandrakis	49	Vice President, Worldwide Operations (1993)
Andre F. Marion	58	Vice President and President, Applied Biosystems Division (1993)
John B. McBennett	56	Corporate Controller (1993)
Michael J. McPartland	45	Vice President, Human Resources (1993)
Riccardo Pigliucci	47	President and Chief Operating Officer (1993)
William B. Sawch	40	Vice President, General Counsel and Secretary (1993)
Rhonda L. Seegal	44	Vice President (1991), Treasurer (1988)

</TABLE>

Each of the foregoing named officers was either elected at the last organizational meeting of the Board of Directors held on October 21, 1993 or was elected by the Board since that date. The term of each officer will expire on October 20, 1994, the date of the next scheduled organizational meeting of the Board of Directors, unless renewed for another year.

(c) Identification of Certain Significant Employees.

Not applicable.

(d) Family Relationships.

To the best of Registrant's knowledge and belief, there is no family relationship between any of Registrant's directors, executive officers, or persons nominated or chosen by Registrant to become a director or an executive officer.

(e) Business Experience.

With respect to the business experience of Registrant's directors and persons nominated to become directors, Registrant hereby incorporates by reference in this Report on Form 10-K Pages 2-4 of Registrant's Proxy Statement dated September 16, 1994, in connection with its Annual Meeting of Shareholders to be held on October 20, 1994. With respect to the executive officers of Registrant, each such officer has been employed by Registrant or a subsidiary in one or more executive or managerial capacities for at least the past five years, with the exception of Messrs.

Emswiler, Marion, and McPartland. Mr. Emswiler was elected Vice President of Registrant on May 21, 1992. Prior to his employment by Registrant in May, 1992, Mr. Emswiler was employed by Aquarion Company, a diversified water-quality and related services corporation, for three years, most recently as Senior Vice President and Chief Financial Officer, and prior to that he was employed by American Home Products Corporation, a worldwide manufacturer and marketer of prescription drugs, medical supplies and diagnostics, over-the-counter medicines, and food products, as Vice President and Comptroller and Vice President and Treasurer. Mr. Marion was elected Vice President of Registrant on February 18, 1993. Prior to his employment by Registrant in February, 1993, Mr. Marion was employed by ABI as Chairman of the Board and Chief Executive Officer. Mr. Marion was one of the founders of ABI, and had been President since 1985. Mr. McPartland was elected Vice President of Registrant on February 18, 1993. Prior to his employment by Registrant in January, 1993, Mr. McPartland was employed by SmithKline Beecham plc, a worldwide manufacturer of pharmaceutical and consumer products and clinical laboratory services, from 1980 to 1993, most recently as Senior Vice President and Director, Corporate Personnel.

(f) Involvement in Certain Legal Proceedings.

To the best of Registrant's knowledge and belief, none of Registrant's directors, persons nominated to become directors, or executive officers has been involved in any proceedings during the past five years that are material to an evaluation of the ability or integrity of such persons to be directors or executive officers of Registrant.

(g) Compliance with Section 16(a) of the Securities Exchange Act of 1934.

Information concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference to Page 7 of Registrant's Proxy Statement dated September 16, 1994, in connection with its Annual Meeting of Shareholders to be held on October 20, 1994.

Item 11. EXECUTIVE COMPENSATION

Registrant hereby incorporates by reference in this Form 10-K Pages 5-13 of Registrant's Proxy Statement dated September 16, 1994, in connection with its Annual Meeting of Shareholders to be held on October 20, 1994.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security Ownership of Certain Beneficial Owners.

Registrant hereby incorporates by reference in this Form 10-K Page 6 of Registrant's Proxy Statement dated September 16, 1994, in connection with its Annual Meeting of Shareholders to be held on October 20, 1994.

(b) Security Ownership of Management.

Information concerning the security ownership of management is hereby incorporated by reference to Pages 2-4 and 6-7 of Registrant's Proxy Statement dated September 16, 1994, in connection with its Annual Meeting of Shareholders to be held on October 20, 1994.

(c) Changes in Control.

Registrant knows of no arrangements, including any pledge by any person of securities of Registrant, which may at a subsequent date result in a change in control of Registrant.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements.

The following consolidated financial statements, together with the report thereon of Price Waterhouse LLP dated July 28, 1994, appearing on Pages 26 through 45 of Registrant's Annual Report to Shareholders for the fiscal year ended June 30, 1994, are incorporated by reference in this Form 10-K. With the exception of the aforementioned information and that which is specifically incorporated in Parts I and II, the Annual Report to Shareholders for the fiscal year ended June 30, 1994, is not to be deemed filed as part of this report on Form 10-K.

	10-K Page No.	Annual Report Page No.
Consolidated Statements of Operations - fiscal years 1994, 1993, and 1992	--	26
Consolidated Statements of Financial Position - fiscal years 1994, 1993, and 1992	--	27
Consolidated Statements of Cash Flows - fiscal years 1994, 1993, and 1992	--	28
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(a) 2. Financial Statement Schedules.

The following additional financial data should be read in conjunction with the consolidated financial statements in said

Annual Report to Shareholders for the fiscal year ended June 30, 1994. Schedules not included with this additional financial data have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(a) 3. Exhibits.

Exhibit No.

2(1) Acquisition Agreement dated July 19, 1991, among the Corporation, Hoffmann-La Roche Inc., and Roche Probe, Inc. (Incorporated by reference to Exhibit 1 to Current Report on Form 8-K of the Corporation dated July 19, 1991 (Commission file number 1-4389).)

2(2) Acquisition Agreement dated July 19, 1991, between the Corporation and F. Hoffmann-La Roche Ltd. (Incorporated by reference to Exhibit 2 to Current Report on Form 8-K of the Corporation dated July 19, 1991 (Commission file number 1-4389)).

2(3) Agreement and Plan of Merger, by and among Registrant, Sequence Acquisition Company and Applied Biosystems, Inc. dated as of October 6, 1992. (Incorporated by reference to Exhibit 2 to Current Report on Form 8-K of the Corporation dated October 6, 1992 (Commission file number 1-4389).)

2(4) Agreement dated April 18, 1994 between Sulzer Inc. and The Perkin-Elmer Corporation, as amended through August 31, 1994.

3(i) Restated Certificate of Incorporation of the Corporation, as amended through July 1, 1994.

3(i) Amended and Restated By-laws of the Corporation, as amended through July 15, 1993. (Incorporated by reference to Exhibit 3(ii) to Annual Report on Form 10-K of the Corporation for fiscal year ended June 30, 1993 (Commission file number 1-4389).)

4(1) Three Year Credit Agreement dated June 1, 1994, among Morgan Guaranty Trust Company, certain banks named in such Agreement, and the Corporation.

4(2) Shareholder Protection Rights Agreement dated April 30, 1989, between The Perkin-Elmer Corporation and The First National Bank of Boston. (Incorporated by reference to Exhibit 4 to Current Report on Form 8-K of the Corporation dated April 20, 1989 (Commission file number 1-4389).)

10(1) The Perkin-Elmer Corporation 1974 Stock Option Plan for Key Employees, as amended through May 21, 1987. (Incorporated by reference to Exhibit 28(a) to Post Effective Amendment No. 1 to the Corporation's Registration Statement on Form S-8 (No. 2-95451).)

10(2) The Perkin-Elmer Corporation 1981 Incentive Stock Option Plan for Key Employees, as amended through May 21, 1987. (Incorporated by reference to Exhibit 28(b) to Post Effective Amendment No. 1 to the Corporation's Registration Statement on Form S-8 (No. 2-95451).)

10(3) The Perkin-Elmer Corporation 1984 Stock Option Plan for Key Employees, as amended through May 21, 1987. (Incorporated by reference to Exhibit 28(c) to Post Effective Amendment No. 1 to the Corporation's Registration Statement on Form S-8 (No. 2-95451).)

10(4) The Perkin-Elmer Corporation 1988 Stock Incentive Plan for Key Employees. (Incorporated by reference to Exhibit 10(4) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1988 (Commission file number 1-4389).)

10(5) The Perkin-Elmer Corporation 1993 Stock Incentive Plan for Key Employees. (Incorporated by reference to Exhibit 99 to the Corporation's Registration Statement on Form S-8 (No. 33-50847).)

10(6) Contingent Compensation Plan for Key Employees of The Perkin-Elmer Corporation, as amended through August 1, 1990. (Incorporated by reference to Exhibit 10(5) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1992 (Commission file number 1-4389).)

10(7) The Perkin-Elmer Corporation Supplemental Retirement Plan as amended through August 1, 1991. (Incorporated by reference to Exhibit 10(6) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1991 (Commission file number 1-4389).)

10(8) Deferred Compensation Contract dated July 29, 1974, as amended through January 20, 1994, between Registrant and Gaynor N. Kelley.

10(9) Deferred Compensation Contract dated September 22, 1989, between Registrant and Riccardo Pigliucci, as amended through April 15, 1993. (Incorporated by reference to Exhibit 10(9) to Annual Report on Form 10-K of the Corporation for the fiscal year ended June 30, 1993 (Commission file number 1-4389).)

10(10) Deferred Compensation Contract dated May 21, 1992, between Registrant and William F. Emswiler. (Incorporated by reference to Exhibit 10(10) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1992 (Commission file number 1-4389).)

10(11) Deferred Compensation Contract dated February 18, 1993, between Registrant and Andre F. Marion.

10(12) Deferred Compensation Contract dated January 21, 1993, between Registrant and Joseph E. Malandrakis. (Incorporated by reference to Exhibit 10(11) to Annual Report on Form 10-K of the Corporation for the fiscal year ended June 30, 1993 (Commission file number 1-4389).)

10(13) Employment Agreement dated November 21, 1991, between Registrant and Gaynor N. Kelley. (Incorporated by reference to Exhibit 10(1) to Quarterly Report on Form 10-Q of the Corporation for the fiscal quarter ended January 31, 1992 (Commission file number 1-4389).)

10(14) Employment Agreement dated November 21, 1991, between Registrant and Riccardo Pigliucci. (Incorporated by reference to Exhibit 10(3) to Quarterly Report on Form 10-Q of the Corporation for the fiscal quarter ended January 31, 1992 (Commission file number 1-4389).)

10(15) Employment Agreement dated May 21, 1992, between Registrant and William F. Emswiler. (Incorporated by reference to Exhibit 10(15) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1992 (Commission file number 1-4389).)

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10(18) Consulting Agreement dated March 17, 1994, between

Registrant and Robert H. Hayes.

10(19) The Excess Benefit Plan of The Perkin-Elmer Corporation dated August 1, 1984 as amended through June 30, 1993. (Incorporated by reference to Exhibit 10(18) to Annual Report on Form 10-K of the Corporation for the fiscal year ended June 30, 1993 (Commission file number 1-4389).)

10(20) 1993 Director Stock Purchase and Deferred Compensation Plan. (Incorporated by reference to Exhibit 99 to the Corporation's Registration Statement on Form S-8 (No. 33-50849).)

10(21) Consulting Agreement dated September 16, 1994, between Registrant and Andre F. Marion.

11 Computation of Net Income (Loss) per Share for the five years ended June 30, 1994.

13 Annual Report to Shareholders for 1994.

21 List of Subsidiaries.

23(1) Consent of Price Waterhouse LLP.

23(2) Consent of Deloitte & Touche LLP.

27 Financial Data Schedule.

Note: None of the Exhibits listed in Item 14(a) 3 above, except Exhibits 11, 23(1) and 23(2) are included with this Form 10-K Annual Report. Registrant will furnish a copy of any such Exhibit upon written request to the Secretary at the address on the cover of this Form 10-K Annual Report accompanied by payment of $3 for each Exhibit requested.

(b) Reports on Form 8-K

Registrant did not file a report on Form 8-K during the last quarter of the period covered by this report.

SIGNATURES

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

THE PERKIN-ELMER CORPORATION

By /s/ William B. Sawch
William B. Sawch

Vice President, General Counsel
and Secretary

Date: September 15, 1994

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

/s/ G. N. Kelley September 15, 1994
Gaynor N. Kelley
Chairman of the Board of Directors,
Chief Executive Officer
(Principal Executive Officer)

/s/ W. F. Emswiler September 15, 1994
William F. Emswiler
Vice President, Finance, Chief Financial Officer
(Principal Financial Officer)

/s/ John B. McBennett September 15, 1994
John B. McBennett
Corporate Controller
(Principal Accounting Officer)

/s/ Joseph F. Abely, Jr. September 15, 1994
Joseph F. Abely, Jr.
Director

/s/ Richard H. Ayers September 15, 1994
Richard H. Ayers
Director

/s/ Jean-Luc Belingard September 15, 1994
Jean-Luc Belingard
Director

/s/ Robert H. Hayes September 15, 1994
Robert H. Hayes
Director

/s/ Donald R. Melville September 15, 1994

Donald R. Melville
Director

/s/ Riccardo Pigliucci September 15, 1994
Riccardo Pigliucci
Director

/s/ Burnell R. Roberts September 15, 1994
Burnell R. Roberts
Director

/s/ John S. Scott September 15, 1994
John S. Scott
Director

/s/ Carolyn W. Slayman September 15, 1994
Carolyn W. Slayman
Director

/s/ Richard F. Tucker September 15, 1994
Richard F. Tucker
Director

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULES

To the Board of Directors
of The Perkin-Elmer Corporation

Our audits of the consolidated financial statements referred to in our report dated July 28, 1994, appearing on Page 45 of the 1994 Annual Report to Shareholders of The Perkin-Elmer Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14(a)2 of this Form 10-K. We did not audit the Financial Statement Schedules of Applied Biosystems, Inc., a wholly owned subsidiary, as of and for the year ended July 31, 1992. Those schedules were audited by other auditors, whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Applied Biosystems, Inc., is based solely on the report of other auditors. Based upon our audits and the report of other auditors, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP

Stamford, Connecticut

THE PERKIN-ELMER CORPORATION
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
FOR THE FISCAL YEARS ENDED JUNE 30, 1994 AND 1993, AND JULY 31, 1992

(Amounts in thousands)

	ALLOWANCE FOR DOUBTFUL ACCOUNTS(1)
Balance at July 31, 1991	$ 5,636
Charged to income in 1992	2,671
Deductions from reserve in 1992	(549)
Balance at July 31, 1992	7,758
Charged to income in 1993	4,229
Deductions from reserve in 1993	(3,761)
Balance at June 30, 1993	8,226
Charged to income in 1994	2,927
Deductions from reserve in 1994	(3,906)
Balance at June 30, 1994	$ 7,247

(1) Deducted in the Consolidated Statements of Financial Position from accounts receivable.

SCHEDULE VIII

THE PERKIN-ELMER CORPORATION
SHORT-TERM BORROWINGS
FOR THE YEARS ENDED JUNE 30, 1994 AND 1993, AND JULY 31, 1992

(Amounts in thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Category of Aggregate Short-Term Borrowings (a)	Balance At End of Period	Weighted Average Interest Rate At End of Period	Maximum Month-End Amount Outstanding During the Period	Average Amount Outstanding During the Period (b)	Weighted Average Interest Rate During the Period

					(c)
1994					
Bank Borrowings	$67,752	6.2%	$72,262	$57,324	6.1%
Commercial Paper	15,800	4.5%	58,250	41,142	3.5%
1993					
Bank Borrowings	$56,932	6.3%	$85,748	$52,975	8.9%
Commercial Paper	17,050	3.2%	99,800	74,502	3.4%
1992					
Bank Borrowings	$34,262	9.4%	$60,456	$43,941	10.2%
Commercial Paper	63,932	3.7%	78,100	71,382	4.9%

(a) Commercial Paper refers to unsecured debt obligations maturing in fixed periods that range from 30 to 180 days; interest at fixed rates is payable on maturity. Bank Borrowings are unsecured debt obligations including those due on demand, as well as those with fixed terms. With respect to some Bank Borrowings, interest rates are fixed; in other cases, interest floats in accordance with a prescribed index.

(b) The average amount outstanding during the period was determined on the basis of average month-end balances of Bank Borrowings and average daily balances for Commercial Paper borrowings.

(c) For Bank Borrowings and Commercial Paper, the weighted average interest rate during the period was computed by dividing the interest expense for the year by the average amount of short-term borrowings outstanding during the period.

SCHEDULE IX

THE PERKIN-ELMER CORPORATION
SUPPLEMENTARY INCOME STATEMENT INFORMATION

(Amounts in thousands)

The following items have been charged to costs and expenses as stated:

For the years ended

	June 30, 1994	June 30, 1993	July 31, 1992
Maintenance and repairs	$17,210	$16,712	$15,763
Advertising costs	$19,325	$17,857	$15,826

The following items have been charged to costs and expenses but do not exceed one percent of net revenues by category:

- Amortization of intangible assets
- Royalties
- Taxes, other than payroll and income taxes

SCHEDULE X

THE PERKIN-ELMER CORPORATION
COMPUTATION OF NET INCOME(LOSS) PER SHARE
(Dollar amounts in thousands, except per share amounts)

<TABLE>

<CAPTION>	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Weighted average number of common shares	43,857	43,780	43,526	42,091	49,705
Common stock equivalents-stock options	816	1,173	1,169	-	130
Weighted average number of common shares used in calculating primary earnings per share	44,673	44,953	44,695	42,091	49,835
Additional dilutive stock options under paragraph #42 APB #15	172	97	280	-	-
Shares used in calculating fully diluted earnings per share	44,845	45,050	44,975	42,091	49,835
Calculation of primary and fully diluted earnings per share:					
PRIMARY AND FULLY DILUTED: Income (loss) from continuing operations	$ 73,978	$ 24,444	$ 24,296	$ (16,384)	$ 27,697

Income (loss) from discontinued operations	(22,851)	1,714	10,941	(2,020)	20,913
Income (loss) before cumulative effect of changes in accounting principles	51,127	26,158	35,237	(18,404)	48,610
Cumulative effect on prior years of changes in accounting principles	-	(83,098)	-	-	-
Net income (loss) used in the calculations of primary and fully diluted earnings per share	$ 51,127	$ (56,940)	$ 35,237	$ (18,404)	$ 48,610
PRIMARY: Per share amounts:					
Income (loss) from continuing operations	$ 1.66	$ .54	$ .54	$ (.39)	$ .56
Income (loss) from discontinued operations	(.52)	.04	.25	(.05)	.42
Income (loss) before cumulative effect of changes in accounting principles	1.14	.58	.79	(.44)	.98
Loss from cumulative effect on prior years of changes in accounting principles	-	(1.85)	-	-	-
Net income (loss)	$ 1.14	$ (1.27)	$ .79	$ (.44)	$ .98
FULLY DILUTED: Per share amounts:					
Income (loss) from continuing operations	$ 1.65	$ .54	$ .54	$ (.39)	$ .56
Income (loss) from discontinued operations	(.51)	.04	.24	(.05)	.42
Income (loss) before cumulative effect of changes in accounting principles	1.14	.58	.78	(.44)	.98
Loss from cumulative effect on prior years of changes in accounting principles	-	(1.84)	-	-	-
Net income (loss)	$ 1.14	$ (1.26)	$ .78	$ (.44)	$ .98

</TABLE>

EXHIBIT 11

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-8 (Nos. 2-95451, 33-25218, 33-44191, 33-50847, 33-50849, and 33-58778) of The Perkin-Elmer Corporation of our report dated July 28, 1994, appearing on page 45 of the Annual Report to Shareholders for 1994 of The Perkin-Elmer Corporation which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page 18 of this Form 10-K.

PRICE WATERHOUSE LLP

Stamford, Connecticut
September 21, 1994

Deloitte & Touche LLP [LOGO]
50 Fremont Street
San Francisco, California
94105-2230
Telephone: (415) 247-4000
Facsimile: (415) 247-4329

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the Registration Statements of The Perkin-Elmer Corporation on Form S-8 (Nos. 2-95451, 33-25218, 33-44191, 33-50847, 33-50849, and 33-58778) of our report dated July 29, 1992 (November 5, 1992 as to Notes 13 and 14) (related to the consolidated financial statements and financial statement schedules of Applied Biosystems, Inc. not presented separately therein) appearing in the Annual Report on Form 10-K of The Perkin-Elmer Corporation for the year ended June 30, 1994.

DELOITTE & TOUCHE LLP

September 21, 1994

[LOGO]

Deloitte & Touche LLP [LOGO]
50 Fremont Street
San Francisco, California 94105-2230
Telephone: (415) 247-4000
Facsimile: (415) 247-4329

INDEPENDENT AUDITORS' REPORT

The Shareholders and Board of Directors
of Applied Biosystems, Inc.:

We have audited the consolidated balance sheet of Applied Biosystems, Inc. as of June 30, 1992, and the related consolidated statements of operations, shareholders' equity and cash flows for the fiscal year then ended (not presented separately herein). Our audit also included the financial statement schedules (not presented separately herein). These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Applied Biosystems, Inc. at June 30, 1992, and the results of its operations and its cash flows for the fiscal year then ended in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Note 13, the consolidated statement of operations for the fiscal year ended June 30, 1992 has been

reclassified to present the Company's subsidiary, Lynx Therapeutics, Inc., as a discontinued operation.

Deloitte & Touche LLP

July 29, 1992 (November 5, 1992
as to Notes 13 and 14)

[LOGO]

EXHIBIT INDEX

Exhibit No.	
2(1)	Acquisition Agreement dated July 19, 1991, among the Corporation, Hoffmann-La Roche Inc., and Roche Probe, Inc. (Incorporated by reference to Exhibit 1 to Current Report on Form 8-K of the Corporation dated July 19, 1991 (Commission file number 1-4389).)
2(2)	Acquisition Agreement dated July 19, 1991, between the Corporation and F. Hoffmann-La Roche Ltd. (Incorporated by reference to Exhibit 2 to Current Report on Form 8-K of the Corporation dated July 19, 1991 (Commission file number 1-4389)).
2(3)	Agreement and Plan of Merger, by and among Registrant, Sequence Acquisition Company and Applied Biosystems, Inc. dated as of October 6, 1992. (Incorporated by reference to Exhibit 2 to Current Report on Form 8-K of the Corporation dated October 6, 1992 (Commission file number 1-4389).)
2(4)	Agreement dated April 18, 1994 between Sulzer Inc. and The Perkin-Elmer Corporation, as amended through August 31, 1994.
3(i)	Restated Certificate of Incorporation of the Corporation, as amended through July 1, 1994.
3(i)	Amended and Restated By-laws of the Corporation, as amended through July 15, 1993. (Incorporated by reference to Exhibit 3(ii) to Annual Report on Form 10-K of the Corporation for fiscal year ended June 30, 1993 (Commission file number 1-4389).)
4(1)	Three Year Credit Agreement dated June 1, 1994, among Morgan Guaranty Trust Company, certain banks named in such Agreement, and the Corporation.
4(2)	Shareholder Protection Rights Agreement dated April 30, 1989, between The Perkin-Elmer Corporation and The First National Bank of Boston. (Incorporated by reference to Exhibit 4 to Current Report on Form 8-K of the Corporation dated April 20, 1989 (Commission

file number 1-4389).)

10(1) The Perkin-Elmer Corporation 1974 Stock Option Plan for Key Employees, as amended through May 21, 1987. (Incorporated by reference to Exhibit 28(a) to Post Effective Amendment No. 1 to the Corporation's Registration Statement on Form S-8 (No. 2-95451).)

10(2) The Perkin-Elmer Corporation 1981 Incentive Stock Option Plan for Key Employees, as amended through May 21, 1987. (Incorporated by reference to Exhibit 28(b) to Post Effective Amendment No. 1 to the Corporation's Registration Statement on Form S-8 (No. 2-95451).)

10(3) The Perkin-Elmer Corporation 1984 Stock Option Plan for Key Employees, as amended through May 21, 1987. (Incorporated by reference to Exhibit 28(c) to Post Effective Amendment No. 1 to the Corporation's Registration Statement on Form S-8 (No. 2-95451).)

10(4) The Perkin-Elmer Corporation 1988 Stock Incentive Plan for Key Employees. (Incorporated by reference to Exhibit 10(4) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1988 (Commission file number 1-4389).)

10(5) The Perkin-Elmer Corporation 1993 Stock Incentive Plan for Key Employees. (Incorporated by reference to Exhibit 99 to the Corporation's Registration Statement on Form S-8 (No. 33-50847).)

10(6) Contingent Compensation Plan for Key Employees of The Perkin-Elmer Corporation, as amended through August 1, 1990. (Incorporated by reference to Exhibit 10(5) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1992 (Commission file number 1-4389).)

10(7) The Perkin-Elmer Corporation Supplemental Retirement Plan as amended through August 1, 1991. (Incorporated by reference to Exhibit 10(6) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1991 (Commission file number 1-4389).)

10(8) Deferred Compensation Contract dated July 29, 1974, as amended through January 20, 1994, between Registrant and Gaynor N. Kelley.

10(9) Deferred Compensation Contract dated September 22, 1989, between Registrant and Riccardo Pigliucci, as amended through April 15, 1993. (Incorporated by reference to Exhibit 10(9) to Annual Report on Form 10-K of the Corporation for the fiscal year ended June 30, 1993 (Commission file number 1-4389).)

10(10) Deferred Compensation Contract dated May 21, 1992, between Registrant and William F. Emswiler. (Incorporated by reference to Exhibit 10(10) to Annual Report on Form 10-K of the Corporation for the fiscal year ended July 31, 1992 (Commission file number 1-4389).)

10(11) Deferred Compensation Contract dated February 18, 1993, between Registrant and Andre F. Marion.

10(12) Deferred Compensation Contract dated January 21, 1993, between Registrant and Joseph E. Malandrakis. (Incorporated by reference to Exhibit 10(11) to Annual Report on Form 10-K of the Corporation for the fiscal year ended June 30, 1993 (Commission file number 1-4389).)

10(13) Employment Agreement dated November 21, 1991, between Registrant and Gaynor N. Kelley. (Incorporated by reference to Exhibit 10(1) to Quarterly Report on Form 10-Q of the Corporation for the fiscal quarter ended January 31, 1992 (Commission file number 1-4389).)

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10(18) Consulting Agreement dated March 17, 1994, between Registrant and Robert H. Hayes.

10(19) The Excess Benefit Plan of The Perkin-Elmer Corporation dated August 1, 1984 as amended through June 30, 1993. (Incorporated by reference to Exhibit 10(18) to Annual Report on Form 10-K of the Corporation for the fiscal year ended June 30, 1993 (Commission file number 1-4389).)

10(20) 1993 Director Stock Purchase and Deferred

Compensation Plan. (Incorporated by reference to Exhibit 99 to the Corporation's Registration Statement on Form S-8 (No. 33-50849).)

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11 Computation of Net Income (Loss) per Share for the five years ended June 30, 1994.

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23(1) Consent of Price Waterhouse LLP.

23(2) Consent of Deloitte & Touche LLP.

27 Financial Data Schedule.

CONFORMED COPY CONFIDENTIAL

PURCHASE AGREEMENT

between

THE PERKIN-ELMER CORPORATION

and

SULZER INC.

Dated as of April 18, 1994

TABLE OF CONTENTS

CONFORMED COPY

PURCHASE AGREEMENT

PURCHASE AGREEMENT (this "Agreement"), dated as of April 18, 1994, between The Perkin-Elmer Corporation, a New York corporation (the "Seller"), and Sulzer Inc., a Delaware corporation (the "Purchaser").

W I T N E S S E T H:

WHEREAS, prior to the date hereof, the Seller, through its Metco Division and through certain foreign subsidiaries identified in a Schedule to this Agreement (collectively, the "Division"), has engaged in the development, design, manufacture and marketing of coating services and servicing of, and training with respect to, combustion, electric arc and plasma thermal spray equipment, and related equipment and materials (the "Business"); and

WHEREAS, the Seller desires to sell and transfer to the Purchaser, and the Purchaser desires to purchase and assume from the Seller, substantially all of the assets and certain of the liabilities Related to the Business (as hereinafter defined), all as more specifically provided herein.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions herein set forth, the parties hereto agree as follows:

ARTICLE I
Purchase and Sale of Purchased Assets; Assumption of Certain Obligations by the Purchaser

1.1 The Purchase. Upon the terms and subject to the conditions of this Agreement, at the Closing (as hereinafter defined), the Seller shall sell, assign, transfer, convey and deliver, or cause to be sold, assigned, transferred, conveyed and delivered, to the Purchaser all of the Seller's right, title and interest in and to the Purchased Assets (as hereinafter defined) free and clear of all Liens (as hereinafter defined), except the Owned Real Property (as hereinafter defined) shall be conveyed subject to the Permitted Encumbrances (as hereinafter defined) and the Leased Real Property (as hereinafter defined) shall be conveyed subject to the Permitted Leasehold Encumbrances (as hereinafter defined), and the Purchaser shall pay to the Seller on Purchaser's own behalf and as agent for and on behalf of

those affiliates purchasing shares of the Stock Subsidiaries (as hereinafter defined) and assets from the Asset Subsidiaries (as hereinafter defined) the amount set forth in Section 2.2 hereof (which Seller accepts on its own behalf and as agent for and on behalf of those affiliates selling shares of the Stock Subsidiaries and on behalf of the Asset Subsidiaries with respect to the assets sold) and the Purchaser shall assume and discharge or perform when due the Assumed Liabilities (as hereinafter defined) solely and exclusively for the benefit of the Division and not any third party. Such transaction is hereinafter referred to as the "Purchase."

1.2 Certain Definitions. As used herein, the following terms have the meanings indicated:

"Accountants" means Price Waterhouse.

"Assumed Environmental Liabilities" means one hundred percent (100%) of Environmental Liabilities other than Excluded Environmental Liabilities.

"Assumed Liabilities" means the following and only the following:

(i) all liabilities of the Division Related to the Business that are reflected as liabilities on the Final Statement but only to the extent and in the amount of such inclusion;

(ii) all liabilities, commitments, duties or other obligations contained in or arising out of each Assumed Contract (as hereinafter defined) that is fully and effectively assigned to the Purchaser;

(iii) all liabilities, costs and expenses of the Division which arise as a result of any claim, action, suit or proceeding against the Division or the Purchased Assets and which is based on a claim that a product or products manufactured or sold by the Division prior to the Closing Date was or were defectively or improperly designed or manufactured ("Product Liabilities");

(iv) all liabilities and obligations of the Seller under the German pension plan at Perkin-Elmer Metco GmbH (Germany) ("Metco GmbH");

(v) Assumed Environmental Liabilities; and

(vi) Unknown Liabilities (as hereinafter defined).

Assumed Liabilities shall not mean or include any Excluded Liability.

"Closing Date Net Assets" means the difference between the Purchased Assets and the Assumed Liabilities that is reflected in the Final Statement (as hereinafter defined).

"Closing Statement" means the audited statement of net assets of the Business as of the Closing Date (as hereinafter defined), which statement shall be prepared

by the Seller in accordance with generally accepted accounting principles applied on a world wide basis consistent with the Financial Statement; provided that the Closing Statement shall in any event include as a liability the pension obligation for Metco GmbH to be assumed by the Purchaser pursuant to clause (iv) under the heading "Assumed Liabilities" in this Section 1.2 in an amount equal to the actuarially computed present value of such obligation (computed on a basis consistent with past valuations by the plan actuary). In addition, the Closing Statement shall be prepared using the Seller's corporate accounting policies and directives (a copy of certain of which is attached hereto as Schedule 1.2(A)) which shall be applied consistently on a worldwide basis to the Purchased Assets and the Assumed Liabilities reflected on such statement; provided, however, under no circumstances shall the inventory obsolescence requirement for inventory included in the Purchased Assets be determined using the Metco Obsolescence Procedure but it shall instead be determined in accordance with Perkin-Elmer Finance Manual Procedure 2-37 Inventory Obsolescence. The Closing Statement shall be accompanied by an unqualified opinion thereon of the Accountants.

"Employees" means persons employed by the Division in connection with the Business.

"Environment" means exterior air, water vapor, surface water, ground water, drinking water supply or land, including land surface or subsurface, and includes all fish, wildlife, biota and all other natural resources.

"Environmental Claim" means any claim, action, cause of action, investigation or written notice by any person or entity alleging potential liability (including, without limitation, potential liability for investigatory costs, cleanup costs, governmental response costs, natural resource damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from (a) the presence, or release into the Environment, of any Material of Environmental Concern on or prior to the Closing Date on, in or under the Real Property, or (b) the violation, or alleged violation, of any Environmental Law arising out of the condition of or operations conducted at the Real Property on or prior to the Closing Date.

"Environmental Condition" means any state of facts that exist at any time on or before the Closing Date on, in or under the Real Property that relate to or affect the compliance of the Real Property with all Environmental Laws.

"Environmental Law(s)" means those United States federal, state, local and foreign environmental

statutes and ordinances, as such laws have been amended or supplemented as of the Closing Date, and lawfully promulgated rules and regulations pursuant thereto as of the Closing Date relating to the protection of the Environment, including, without limitation, the Resource Conservation and Recovery Act of 1976, as amended, the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, and state statutes similar to or based upon the foregoing, including, without limitation, Articles 17 and 27 of the New York State Environmental Conservation Law and other applicable laws and regulations relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the manufacture, processing, use, treatment, storage, disposal, transport, or handling of Materials of Environmental Concern.

"Environmental Liabilities" means any liabilities and obligations of every kind, character and description based upon, arising out of or otherwise in respect of (a) the violation or alleged violation of any Environmental Law, as such laws may be amended or supplemented after the Closing Date, including but not limited to, any Environmental Claim or Environmental Condition, or (b) the presence or release into the Environment of any Material of Environmental Concern on, in or under the Real Property.

"Estimated Purchase Price" means
[material at this point has been
omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission]

"Excluded Assets" means all assets listed on Schedule 1.2(B) hereto.

"Excluded Environmental Liabilities" means
[material at this point has been
omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission]
of Environmental Liabilities first commenced or asserted on or prior to the fifteenth anniversary of the Closing Date and that are based on, arising out of or otherwise in respect of the violation or alleged violation of any Environmental Law existing on or prior to the Closing Date, an Environmental Claim, Environmental Condition, or the presence of any Material of Environmental Concern on, in or under all or any portion of the Real Property, as of the Closing Date.

"Excluded Liabilities" means the following and

only the following:

(i) any and all liabilities and obligations, direct or indirect, fixed or contingent, for Taxes (as hereinafter defined) of the Seller, or any of the Asset Subsidiaries or Stock Subsidiaries, whether or not assessed prior to, on or after the Closing Date, attributable to the Pre-Closing Tax Period (as hereinafter defined);

(ii) Excluded Environmental Liabilities;

(iii) any liability, duty or other obligation contained in or arising out of any agreement, contract, license agreement, lease or sublease Related to the Business that is not an Assumed Contract which is fully and effectively assigned to Purchaser;

(iv) any liability of the Seller for any severance or similar payment for any Transferred Employee (as hereinafter defined) to whom Purchaser makes an offer of employment in conformity with the terms of Section 4.7(a); provided, however, all liabilities arising out of or incurred in connection with those certain severance agreements between the Sellers and Messrs. Thomas R. Klein, Burton Kushner, Andrew B. Mazzone, Francis J. McKendry, Vincent Meringolo and Robert P. Zounek are Excluded Liabilities;

(v) (A) any Product Liability related to an occurrence (as hereinafter defined) prior to the Closing of which the Seller had knowledge on the Closing Date, to the extent of 100% of such Product Liability (a "Known Product Liability") and (B) any Product Liability related to an occurrence prior to the Closing of which the Seller had no knowledge on the Closing Date, to the extent of 100% of the portion of such Product Liability covered by the Seller's insurance and 50% of the portion of such Product Liability not covered by the Seller's insurance. For purposes of this definition, "occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful condition;

(vi) any liabilities of the Division resulting from (A) any litigation, arbitration or other similar proceeding, including labor grievances and administrative agency actions with respect to employees or employment practices of the Divison, or (B) any workers' compensation claims and automobile liability claims, in either case pending or threatened in writing prior to the Closing Date;

(vii) any liabilities or obligations related to the Excluded Assets;

(viii) subject to the provisions of Section 4.7 hereof, any liabilities or obligations of the Seller under employee health, welfare and severance benefit plans relating to the Employees, including but not limit-

ed to (A) all liabilities for such health, welfare and severance benefits owed with respect to former salaried and non-salaried Employees who are retired as of the Closing, and (B) federal and state income tax liability, arising by reason of the Seller's failure, through any act or omission before, on or after the Closing Date, to comply with the requirements of Section 4980 B of the Internal Revenue Code of 1986, as amended (the "Code") or Sections 601-607 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") ("COBRA"), with respect to any "qualified beneficiary" (as defined in COBRA), whether the relevant "qualifying event" (as defined in COBRA) occurs before, on or after the Closing Date; provided, however, those liabilities and obligations of the Seller to those Employees who are actively employed in the Business at Metco GmbH shall be Assumed Liabilities;

(ix) all obligations of the Seller or any Subsidiary to any banks or to Seller and its affiliates with respect to money borrowed; and

(x) all liabilities under the lease agreement with respect to the Seller's Farnborough (U.K.) facility.

"Final Statement" means the Closing Statement, after giving effect to the provisions of Section 2.4(b) hereof.

"Financial Statement" means the audited Statement of Net Assets of the Division at June 30, 1993 attached as Schedule 1.2(C) hereto.

"Liens" means all pledges, security interests, liens, charges, encumbrances, equities, and options of whatsoever nature, and any claims of any of the foregoing, except for statutory liens for taxes not yet due and payable.

"Materials of Environmental Concern" means any "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste," "subject waste," "pollutant," "contaminant," "toxic waste" or "toxic substance" under any provision of Environmental Law, including, but not limited to, asbestos, petroleum and polychlorinated biphenyls.

"Material Subsidiaries" means the Subsidiaries listed on Schedule 1.2(G) hereto which are specifically identified as "Material Subsidiaries".

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date.

"Purchased Assets" means all assets, properties or rights (of every kind, nature and description, real, personal or mixed, tangible or intangible and wherever situated, and including the rights of the Division to the use of properties and assets owned by Seller and the Subsidiaries), goodwill and business as a going concern

that are Related to the Business (as hereinafter defined), other than the Excluded Assets, including, without limitation, the following:

(a) all real property Related to the Business, whether owned (the "Owned Real Property") or leased (the "Leased Real Property"; and, together with the Owned Real Property, the "Real Property"), including any buildings, structures and improvements thereon or appurtenances thereto listed on Schedule 1.2(E) hereto;

(b) all accounts receivable arising out of the sale or other disposition of goods or services Related to the Business;

(c) all raw materials, supplies and manufactured goods constituting inventories, together with such additions thereto and deletions therefrom as shall have occurred from the date hereof to the Closing in the ordinary course of business, Related to the Business;

(d) all machinery, tools, equipment, automobiles and trucks, furniture, fixtures and other personal property Related to the Business, whether owned (the "Owned Equipment") or leased (the "Leased Equipment"; and, together with the Owned Equipment, the "Equipment");

(e) all intellectual property rights Related to the Business, including all rights in or to (i) patents, trademarks, service marks, and all applications therefor and registrations and recordings thereof, (ii) copyrights, (iii) product designations, trade names, permits, approvals, ideas, plans, specifications, formulae, processing procedures, quality standards, data, trade secrets, inventions, investigations, designs, processes, production methods and techniques, know-how, books, records, manuals and other information, including, without limitation, all such rights listed on Schedule 1.2(F) hereto (the "Intellectual Property");

(f) all of the Seller's rights in and to the name "Metco" and any variation thereof;

(g) (i) all assets, properties or rights (of any kind, nature and description, real, personal or mixed, tangible or intangible and wherever situated), goodwill and business as a going concern, including, without limitation, the specific assets listed in this definition of Purchased Assets, of the divisions and branches Related to the Business and held by the subsidiaries of Seller as described and listed on Schedule 1.2(G)(i) hereof (the "Asset Subsidiaries"); and

(ii) all outstanding capital stock of those subsidiaries of Seller Related to the Business and listed on Schedule 1.2(G)(ii) hereto (the "Stock Subsidiaries") and all interests, beneficial or otherwise, in

the joint ventures of Seller or any affiliate of Seller Related to the Business and listed on Schedule 1.2(G)(iii) hereto (the "Joint Ventures"); provided, however, that the Stock Subsidiaries shall not include the Asset Subsidiaries listed on Schedule 1.2(G)(i) hereto. (The Asset Subsidiaries, the Stock Subsidiaries and the Joint Ventures are herein referred to as the "Subsidiaries," except for purposes of Sections 3.1 and 4.5, wherein the term "Subsidiaries" shall not include Joint Ventures);

(h) all right, title and interest of the Seller in and to all contracts and license agreements listed or referred to on Schedule 1.2(H) hereto (the "Assumed Contracts");

(i) all permits, licenses, franchises, consents, authorizations of any foreign or domestic federal, state or local governmental body Related to the Business, except to the extent that the transfer thereof to the Purchaser would violate applicable laws or regulations;

(j) all documents, files, records and other materials Related to the Business; and

(k) without limiting the generality of the foregoing, all assets, properties and rights reflected on the Final Statement.

"Purchase Price" means the amount of the Closing Date Net Assets plus [material at this point has been omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission].

"Related to the Business" means primarily related to, or used primarily in connection with, or primarily arising out of or in connection with, the operations of the Business prior to the Closing.

"Remedial Action" means all actions required under Environmental Law to clean up, remove, treat or in any other way address any Material of Environmental Concern that is on, in or under the Real Property on or prior to the Closing Date.

"Straddle Period" means any taxable period of the Seller or any Subsidiary that begins before the Closing Date and ends after the Closing Date.

"Taxes" means any and all taxes, charges, fees, levies or other like assessments (including penalties, interest or additions to tax imposed in connection therewith or with respect thereto, if applicable), including but not limited to income, transfer, gains, gross receipts, excise, inventory, property (real, personal or tangible), sales, use, license, withholding, payroll, employment, social security, unemployment, occupation, premium, windfall profits, capital stock, franchise, ser-

vice, ad valorem or value added taxes or customs duties imposed by the United States or any state, local or foreign government or subdivision or agency thereof, whether computed on a unitary, combined or any other basis.

"Tax Returns" means all reports, returns, information, statements, and other documentation (including any additional or supporting material) filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any Taxes.

"Unknown Liabilities" means all liabilities (as defined in Section 3.1(s)) Related to the Business which are not specifically referred to in clauses (i), (ii) and (iv) of the definition of "Assumed Liabilities". No Excluded Liability, Product Liability or Environmental Liability shall be an Unknown Liability, and no Unknown Liability shall be either a Product Liability or an Environmental Liability.

ARTICLE II
The Closing

2.1 Closing. The closing of the Purchase (the "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom, 919 Third Avenue, New York, NY at 10:00 a.m., New York time, on the later of (i) May 31, 1994, and (ii) the month end next following the date on which the last to be satisfied or waived of the conditions set forth in Article V hereof shall be satisfied or waived in accordance with this Agreement; or at such other time, day or place as the parties hereto shall mutually agree. The day on which the Closing takes place is herein referred to as the "Closing Date."

2.2 Deliveries and Payments by the Purchaser. At the Closing, the Purchaser shall deliver the following:

(a) The Estimated Purchase Price, payable to the Seller in immediately available funds by wire transfer to a United States bank account to be designated by Seller in writing not less than three business days prior to the Closing Date; and

(b) Such instruments of assumption and other instruments or documents as may be reasonably necessary to carry out the Purchase and to comply with the terms hereof.

2.3 Deliveries by the Seller. At the Closing, the Seller shall deliver the following:

(i) the Purchased Assets;

(ii) with respect to the Purchased Assets other than the Real Property, such bills of sale and other instruments of conveyance or assignment or documents in form and substance reasonably satisfactory to

the Purchaser and its counsel as may be necessary to vest in the Purchaser all of the right, title and interest of the Seller in and to the Purchased Assets, including, without limitation, such bills of sale and other instruments or documents as shall be necessary to vest in the Purchaser good title, free and clear of all Liens;

(iii) certificates or other statements from the Secretary of State of the State of New York which indicate that as of the Closing Date there are no filings against Seller under the Uniform Commercial Code of New York which would be a Lien on the Equipment included in the Purchased Assets (other than such filings, if any, as are being released at the time of the Closing) unless such filing secures an obligation that is an Assumed Liability;

(iv) written notices executed by the Seller changing the address for payment on accounts and services and written notices of the Purchase jointly signed by Seller and the Purchaser, as the Purchaser shall reasonably request;

(v) with respect to the Owned Real Property, bargain and sale deeds, in the customary form in the jurisdictions in which the Owned Real Property is located, with covenants against grantor's acts, in recordable form, subject only to the Permitted Encumbrances, together with any third party consents listed on Schedule 3.1(j) to be obtained from any such third party related to the Owned Real Property; and with respect to the Leased Real Property, assignments of lease, in the customary form in the jurisdictions in which the Leased Real Property is located, in recordable form, subject only to the Permitted Leasehold Encumbrances, together with any third party consents listed on 3.1(j), to be obtained from any such third party related to the Leased Real Property;

(vi) a true, correct and complete affidavit of non-foreign status of the Seller in a form which complies with the provisions of Section 1445 of the Code, and the regulations thereunder (the "FIRPTA Affidavit") which attests to Seller's non-foreign status;

(vii) estoppel certificates, in the form reasonably satisfactory to the Purchaser, executed by each Landlord which is a party to any leases on the Leased Real Property; provided, however (i) as to the Leased Real Property in the United States, in the event that the Seller, after using its reasonable efforts, is unable to obtain such estoppel certificates, or (ii) as to the other Leased Real Property in the event that the Seller is unable to obtain such estoppel certificates, then in lieu thereof, the Seller shall execute and deliver a reasonably acceptable tenant's estoppel certificate

for such Leased Real Property; and

(viii) all other documents, instruments and writings required to be delivered by the Seller pursuant to this Agreement or otherwise reasonably required in connection herewith.

2.4 Purchase Price Adjustment. (a) As soon as practicable, but not more than ninety (90) calendar days after the Closing Date, the Seller shall deliver to the Purchaser the Closing Statement. During the preparation and audit of the Closing Statement by the Seller and the Accountants and during the period of any dispute within the contemplation of Section 2.4(b) hereof, the Purchaser shall provide the Seller, the Accountants and the Seller's authorized representatives reasonable access to the books, records, facilities and employees of the Business and shall cause the Business to cooperate with the Seller, the Accountants and the Seller's authorized representatives, in each case to the extent reasonably required in order to prepare the Closing Statement and to investigate the basis for any such dispute. The Purchaser and its representatives, including Deloitte & Touche (the "Purchaser's Accountants"), shall have the right to communicate with and to review the work papers, schedules, memoranda and other documents prepared or reviewed by the Seller and/or the Accountants in connection with their preparation and/or audit of the Closing Statement, and the Purchaser and its representatives shall have access to the Accountants and such employees of the Seller and to all relevant books and records, to the extent reasonably required by them in order to complete their review of the Closing Statement and to investigate the basis for any potential dispute contemplated by Section 2.4(b). Subject to Section 2.4(b), the Closing Statement shall be conclusive and binding as the "Final Statement."

(b) The Purchaser may dispute any amounts reflected on the Closing Statement, based solely on whether such disputed amounts were arrived at in accordance with the provisions with respect to the preparation of the Closing Statement set forth in Section 1.2 under the heading "Closing Statement"; provided that the Purchaser shall notify the Seller in writing of each disputed item, and specify the amount thereof in dispute and the basis for such dispute, within forty-five (45) calendar days of the Purchaser's receipt of the Closing Statement. In the event of such a dispute, the Purchaser, the Seller and their respective independent certified public accountants shall attempt to reconcile their differences and any resolution by the Purchaser and the Seller as to any disputed amounts shall be in writing and signed by the Purchaser and the Seller and shall

thereafter be final, binding and conclusive. If the Purchaser and the Seller are unable to reach a resolution with such effect within fifteen (15) business days of the Seller's receipt of the Purchaser's written notice of dispute, then the Purchaser and the Seller shall submit the items remaining in dispute for resolution to KPMG Peat Marwick, or another independent "big six" accounting firm (other than the Accountants or the Purchaser's Accountants) mutually appointed by the Seller and the Purchaser (such accounting firm being herein referred to as the "Independent Accounting Firm"), which shall, within thirty (30) calendar days after submission, determine such disputed items in accordance with the provisions with respect to the preparation of the Closing Statement set forth in Section 1.2 under the heading "Closing Statement," and report to the parties which report shall be final, binding and conclusive. The fees and disbursements of the Independent Accounting Firm shall be allocated equally between the Purchaser and the Seller.

(c) If the Purchase Price exceeds the Estimated Purchase Price, then the Purchaser shall pay to the Seller an amount equal to such excess, together with simple interest thereon from the Closing Date to the date of payment at the rate of 6% per annum, calculated on the basis of a 365-day year. If the Estimated Purchase Price exceeds the Purchase Price, then the Seller shall pay to the Purchaser an amount equal to such excess, together with simple interest thereon from the Closing Date to the date of payment at the rate of 6% per annum, calculated on the basis of a 365-day year.

(d) Any amount payable pursuant to Section 2.4(c) hereof shall be paid by wire transfer of immediately available funds to a bank account designated by the Purchaser or the Seller, as the case may be, as soon as practicable following the determination of the Final Statement, but in no event more than three (3) days thereafter.

ARTICLE III
Representations and Warranties

3.1 Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser as follows:

(a) Organization of the Seller and Material Subsidiaries. The Seller and each of the Material Subsidiaries are corporations duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation or organization and each such entity has all necessary corporate power to own, lease and operate its respective Purchased Assets

and to carry on the Business conducted by it as now being conducted. The Seller and each of the Material Subsidiaries are duly qualified and in good standing to do business in all jurisdictions in which the Purchased Assets owned or used by it or the Business conducted by it makes such qualification necessary, except for those jurisdictions where the failure to be so duly qualified will not have a material adverse effect on the Purchased Assets, the Assumed Liabilities or the business, financial condition or results of operations of the Business, taken as a whole (a "Material Adverse Effect").

(b) Authorization and Noncontravention. The execution, delivery and performance of this Agreement has been duly authorized by the Seller and no other corporate proceedings on the part of the Seller are necessary to authorize this Agreement or the transactions contemplated hereby. The Seller has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by the Seller and constitutes a valid and legally binding obligation of the Seller enforceable against the Seller in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. The execution and the delivery by the Seller of this Agreement and the consummation by the Seller of the Purchase will not (i) violate any term or provision of the Restated Certificate of Incorporation or By-laws of the Seller; (ii) subject to obtaining any required authorizations, approvals, consents or waivers set forth in Schedule 3.1(j) hereto, conflict with or result in a breach of or constitute a default under or result in the termination of, or entitle any party to accelerate (whether after the filing or notice or lapse of time or both), any agreement to which the Seller or any Material Subsidiary is a party or by which it is bound or to which any of its assets are subject, or result in the creation of any lien or encumbrance upon any of said assets, other than conflicts, breaches, defaults, terminations, accelerations, liens or encumbrances which, individually or in the aggregate, would not have a Material Adverse Effect or materially impair the ability of the parties hereto to consummate the Purchase; or (iii) subject to obtaining the authorizations, approvals, consents or waivers set forth in Schedule 3.1(j) hereto and to the expiration of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), the Omnibus Trade and Competitiveness Act of 1988 (the "Exon-Florio Amendment") and the Federal Republic of

Germany's Act Against Restraints of Competition (the "GWB Act"), violate or result in a breach of or constitute a default under any judgment, order, decree, law, rule, regulation or other restriction of any court, government or governmental agency to which the Seller, any Subsidiary or any of the Purchased Assets are subject, other than violations, breaches or defaults which individually or in the aggregate would not have a Material Adverse Effect or materially impair the ability of the parties hereto to consummate the Purchase.

(c) The Purchased Assets. Except as set forth Schedule 3.1(c) hereto, the Purchased Assets constitute in all material respects the rights, properties and assets (real, personal or mixed, tangible or intangible) used in the conduct of the Business as currently conducted by the Seller and the Subsidiaries. The Seller has good and valid title to the owned Purchased Assets (other than the Owned Real Property, which is the subject of Section 3.1(d) hereof, and the Intellectual Property, which is the subject of Section 3.1(k) hereof), free and clear of all Liens except for Liens set forth on Schedule 3.1(c) hereto, which shall be released on or prior to the Closing.

(d) Real Property. Seller and each Subsidiary has fee simple and insurable title, or the equivalent of fee simple and insurable title under applicable law in the case of the Owned Real Property located outside the United States, to the Owned Real Property identified as belonging to it on Schedule 1.2(E), free and clear of all liens, covenants, conditions, restrictions, rights of way, easements, encroachments, charges and encumbrances or other adverse claims or interests of any nature other than: (i) liens for current taxes not yet due and payable; (ii) liens for installments for special or other assessments not yet due and payable; (iii) the matters set forth on Schedule 3.1(d) hereto; (iv) laws, ordinances and governmental regulations (including, but not limited to, building and zoning ordinances) restricting and regulating but not prohibiting the occupancy, use or enjoyment of the Owned Real Property for the business presently conducted thereon, or regulating the character, dimensions or location of any improvement now or hereafter erected on the Owned Real Property provided the same are not materially violated by any existing improvements or the use thereof and provided the same do not prohibit a transfer of the Owned Real Property, (v) such other encroachments, easements, overlaps, gaps, boundary line disputes or claims and any other matters which would be disclosed by an accurate survey or inspection which, individually or in the aggregate, do not materially interfere with the use or operation of the particular

Owned Real Property affected as presently used and operated, and (vi) such other imperfections of title, encumbrances, covenants, conditions and restrictions which individually or in the aggregate, do not materially interfere with the use and operation of the particular Owned Real Property affected as presently used and operated. Collectively, items (i), (ii), (iii), (iv), (v) and (vi) above are herein referred to as the "Permitted Encumbrances." The Seller and each Subsidiary, with respect to each Leased Real Property identified on Schedule 3.1(l) as belonging to it, has a good and valid leasehold interest free and clear of all liens, charges and encumbrances or other adverse claims or interests of any nature other than: (i) claims for rent and additional rent not yet due and payable, and all other obligations of the tenant pursuant to each such lease, provided that tenant is not in default beyond applicable notice and grace provisions under such lease, (ii) matters set forth in Schedule 3.1(d) hereto, (iii) matters affecting its landlord's title, and (iv) laws, ordinances and governmental regulations (including, but not limited to, building and zoning ordinances) restricting and regulating but not prohibiting the occupancy, use or enjoyment of the Leased Real Property for the use permitted by each such lease and the business presently conducted in the premises demised under each such lease, or regulating the character, dimensions or location of the demised premises or the business presently conducted on the demised premises provided the same are not materially violated. Collectively, items (i), (ii), (iii) and (iv) above are herein referred to as the "Permitted Leasehold Encumbrances". Except as set forth on Schedule 3.1(d), Seller (A) has not pre-paid or anticipated rent or additional rent under any such lease, except as required by the terms of any Lease, (B) knows of no requirement that any third party (including the landlord under each such lease) consent to the assignment or transfer of each such lease or consent to the transfer of the stock of any Subsidiary which is a tenant under any such lease and (C) knows of no guarantee of the obligations of a tenant under any such lease by Seller or any Subsidiary except as shown on Schedule 4.15.

(e) Condemnation. There is no pending or, to knowledge of the Seller, threatened condemnation of the Owned Real Property or, to the knowledge of Seller, pending or threatened condemnation of the Leased Real Property or any part thereof or, to the knowledge of Seller, any general or special assessment relating to any condemnation referred to in this paragraph.

(f) Financial Statement. The Seller has previously furnished to the Purchaser (i) the audited

statements of net sales and direct costs and expenses and sources and uses of cash of the Division for the fiscal year ended June 30, 1993 (the "Special Purpose Statements"), and (ii) the Financial Statement. Except as set forth in the notes to the Special Purpose Statements, the Financial Statement and Schedule 3.1(f) hereto, the Financial Statement presents fairly the June 30 Net Assets at June 30, 1993, and the Special Purpose Statements present fairly the related net sales and direct costs and expenses and sources and uses of cash for the fiscal year then ended, in each case in accordance with generally accepted accounting principles consistently applied on a worldwide basis in accordance with the Seller's corporate accounting policies and directives.

(g) Absence of Certain Changes. Except as set forth in Schedule 3.1(g) hereto, since June 30, 1993 there has not been with respect to the Business (i) any material adverse change in the business, financial condition or results of operations of the Business, taken as a whole; (ii) other than in the ordinary course of business, any expenditures or commitments, including capital expenditures or commitments for capital expenditures, made by the Seller for additions to property, plant, equipment or intangible capital assets which exceed $50,000 individually or $250,000 in the aggregate, other than as described on Schedule 4.1; (iii) any failure to maintain in full force and effect substantially the same level and types of insurance coverage as in effect on June 30, 1993; (iv) any destruction, damage to, or loss of any Purchased Asset (whether or not covered by insurance) which would have a Material Adverse Effect; (v) any change in accounting methods, principles or practices; (vi) any sale, assignment or transfer of any material tangible or intangible Purchased Assets, including any material Intellectual Property, other than licenses of Purchased Assets entered into in the ordinary course of business; or (vii) any agreement or understanding to take any of the actions described in this Section.

(h) Litigation. Except as set forth in Schedule 3.1(h) or 3.1(k) hereto, there are no written claims, actions, suits, or proceedings, nor has the Seller received any notice of governmental investigations (i) involving the Business pending or, to the knowledge of the Seller, threatened or (ii) relating to the products of the Business or any products alleged to have been manufactured or sold by the Seller or any Subsidiary in connection with the Business, based on allegations that such products are defective or improperly designed or manufactured pending or, to the knowledge of the Seller, threatened. Except as set forth in Schedule 3.1(h) or 3.1(k) hereto, neither the Seller nor any Subsidiary is subject

to any judgment, order or decree in any lawsuit or proceeding Related to the Business.

(i) Compliance with Law. Except as set forth in Schedule 3.1(i) hereto and except with respect to Environmental Laws (compliance with which is the subject of Section 3.1(p) hereof), to the knowledge of the Seller (i) the Business is being conducted in compliance in all material respects with all applicable laws, rules and regulations and orders and (ii) the Seller has not received any written complaint or notice from any governmental authority alleging that the Seller has violated any laws, rules, regulations or orders.

(j) Approvals and Consents. Except for compliance with the HSR Act, the Exon-Florio Amendment and the GWB Act and other than as set forth in Schedule 3.1(j) hereto, (1) there are no authorizations, approvals, consents or waivers required to be obtained from or notices or filings required to be given to or made with, any government or governmental agency by the Seller in connection with the Purchase, and (2) there are no authorizations, approvals, consents or waivers required to be obtained by the Seller or any Subsidiary from any third party or notices required to be given by the Seller or any Subsidiary to any third party, in either case pursuant to any Material Agreement in connection with the Purchase.

(k) Intellectual Property. (i) Schedule 1.2(F) sets forth a complete and accurate list of all trademarks, patents and material copyrights registered or applied for, Related to the Business, owned by the Seller or any Subsidiary. Except as set forth in Schedule 3.1(k) hereto, either the Seller or such Subsidiary is the sole and exclusive beneficial owner of the Intellectual Property, free and clear of all Liens. Except as set forth in Schedule 3.1(k) hereto, to the knowledge of the Seller (x) there are no actions or proceedings pending or threatened which challenge the Seller's right to use any of its material Intellectual Property in connection with the Business and (y) the Seller's use of Intellectual Property in connection with the Business does not infringe upon or otherwise violate the rights of others.

(ii) All registered trademarks, patents and material copyrights are validly registered, and, except as set forth in Schedule 3.1(k) the Seller or a Subsidiary is the current record owner of all such registrations or applications therefor. The Seller is not a party to any settlement agreement, consent or waiver which restricts the use of such Intellectual Property in connection with the Business. To the knowledge of the Seller, no other person is infringing upon the Seller's rights in the Intellectual Property, except as set forth

in Schedule 3.1(k).

(iii) Except as set forth on Schedule 3.1(k), the Seller does not pay any royalty to anyone relating to the Intellectual Property. There is no restriction or limitation of Seller's rights to transfer the Intellectual Property as herein contemplated.

(iv) Schedule 3.1(k) contains a complete and accurate list of all contracts, licenses, agreements or understandings, written or oral, Related to the Business, pursuant to which (a) a third party is licensing its intellectual property to the Seller, and (b) the Seller is licensing any Intellectual Property to a third party (the "Licenses"). The Seller is in compliance with all material terms of the Licenses and to the knowledge of the Seller each of the Licenses is in full force and effect. All royalties due and payable under the Licenses have been paid.

(l) Material Agreements. Listed on Schedule 3.1(l) is (i) each agreement, contract, license and personal property lease and sublease, written or oral, Related to the Business involving an obligation of the Seller or a Subsidiary or of the other party or parties thereto of more than $100,000 in any year (other than contracts cancelable upon up to sixty (60) days notice, without penalty), (ii) each lease of real property Related to the Business (collectively, the "Leases"), (iii) each agreement which by its terms is over one year in length of obligation of the Seller or a Subsidiary Related to the Business (other than contracts cancelable upon up to sixty (60) days notice, without penalty), (iv) each agreement or contract which by its terms will result in a loss to the Business in excess of $50,000, and (v) all agreements or contracts which by their terms will result in an aggregate loss to the Business in excess of $500,000 (hereinafter collectively called the "Material Agreements"). Except as set forth in Schedule 3.1(l) hereto, to the knowledge of the Seller, none of the Seller, any Subsidiary or the other party or parties to any Material Agreement is in default with respect to any material term or condition thereof and no event has occurred which through the passage of time or the giving of notice, or both, would constitute such a default. Neither the Seller nor any Subsidiary has received any written notice of any default by the Seller or any Subsidiary under any of the Material Agreements. The list of Material Agreements on Schedule 3.1(e) hereto includes all amendments and modifications to such Material Agreements. Copies of all Material Agreements and Assumed Contracts, including all supplements and amendments thereto, have been or will be made available to the Purchaser prior to the Closing.

(m) Employee Benefit Plans. (i) Schedule 3.1(m)(i) hereto lists all "employee benefit plans," within the meaning of Section 3(3) of ERISA, covering persons employed or formerly employed in the United States by the Division in connection with the Business (the "U.S. Employees"). True and complete copies of all plan documents and summary plan descriptions pertaining to all such plans (the "ERISA Plans") have been, or as soon as practicable after the date of this Agreement will be, made available to the Purchaser.

(ii) All ERISA Plans are in substantial compliance with ERISA. To the knowledge of the Seller, each ERISA Plan intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service (except with respect to amendments to such ERISA Plans adopted after August 1, 1986), and the Seller is not aware of any circumstances likely to result in revocation of any such favorable determination letter. Except as set forth on Schedule 3.1(m)(ii) hereto, there is no material pending or, to the knowledge of the Seller, threatened action, suit or claim with respect to the ERISA Plans (other than routine claims for benefits in the ordinary course). None of the ERISA Plans is a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA.

(iii) Assuming the Purchaser makes the offers of employment provided for in Section 4.7(a) hereof, the consummation of the transactions contemplated by this Agreement will not, in and of themselves, (a) entitle any current or former employee of Seller or any Transferred Employee (as defined in Section 4.7 hereof) to any severance pay, unemployment compensation or any other payment, (b) accelerate the time of payment or vesting, or increase the amount of compensation due to any such employees, or (c) result in any employment-related expenses or liabilities, in every such case the full cost of which will not be paid by Seller.

(iv) Schedule 3.1(m)(iv) sets forth a list of all plans, agreements or arrangements pursuant to which any Employee receives any employee benefits from Seller or any Subsidiary, including without limitation, bonus, deferred compensation, pension, profit-sharing, severance and health insurance plans, agreements or arrangements (the "Employee Plans"). Seller has provided the Purchaser with true and complete copies of all written Employee Plans or true and complete summaries of all oral Employee Plans.

(v) Schedule 4.7(a)(1) sets forth the annual salary and job title of each of the Transferred Employees.

(n) Labor Matters. The Seller has paid in

full to, or accrued on behalf of, all Employees all wages, salaries, vacation pay, commissions, bonuses and other direct compensation for all services performed by them to the date hereof and all amounts required to be reimbursed to such Employees. Except as set forth on Schedule 3.1(n), Seller has not been notified in writing that any charges with respect to or relating to any Employee are pending before the Equal Employment Opportunity Commission or any other agency responsible for the prevention of unlawful employment practices. Except as set forth on Schedule 3.1(n), there are no employment contracts or severance agreements with any Employees. The Seller is not a party to any collective bargaining or similar agreement with any labor organization, group or association with respect to the Employees. To the knowledge of the Seller, the Seller has not experienced, in the past five (5) years, any attempt by organized labor or its representatives to make the Seller conform to demands of organized labor relating to the U.S. Employees, or to enter into a binding agreement with organized labor that would cover the U.S. Employees. Seller has not been notified in writing that there are any unfair labor practices, charges or complaints against the Seller with respect to the Business pending before the National Labor Relations Board or any other U.S. governmental agency arising out of the Seller's activities in the United States with respect to the Business; there is no labor strike, material dispute, material slowdown or material labor disturbance pending or, to the knowledge of the Seller, threatened, nor is any grievance currently being asserted, against the Seller with respect to the Business in the United States; and the Business has not experienced a labor strike, material dispute, material slowdown, material labor disturbance or work stoppage during the past five (5) years.

Since February 1, 1991, the Seller has not effectuated a "plant closing" or "mass layoff" (each as defined in the Worker Adjustment and Retraining Notification Act (the "WARN Act")) affecting any site of employment, operating unit or facility of the Seller Related to the Business; nor has the Seller engaged in layoffs or employment terminations sufficient in number to trigger application of any similar U.S. state or local law relating to the Business. None of the Employees has suffered an "employment loss" (as defined in the WARN Act) since six months prior to the date hereof.

(o) Insurance. Schedule 3.1(o) contains a complete and accurate list of all policies or binders of fire, liability, worker's compensation and other forms of insurance, including bonds but not including any insurance related to Employees other than worker's compensa-

tion (showing as to each policy or binder the carrier, coverage limits, expiration dates, deductibles or retention levels and a general description of the type of coverage provided) maintained by the Seller or a Subsidiary with respect to the Business, any Purchased Assets, any Assumed Liabilities or the Employees. The coverage provided under such policies and binders is in full force and effect on the date hereof and shall be kept in full force and effect by the Seller through the Closing Date. Neither the Seller nor any Subsidiary has been refused any insurance coverage with respect to the Purchased Assets or the Business, nor has coverage been limited or cancelled in any material respect by any insurance carrier to which the Seller or any Subsidiary has applied for any such insurance or with which the Seller or any Subsidiary has carried insurance.

(p) Environmental Matters. Except as set forth in Schedule 3.1(p), to Seller's knowledge, the Seller is in material compliance with all applicable Environmental Laws, and the Seller is in possession of all permits, licenses and other authorizations required as of the Closing Date under applicable Environmental Laws for the operation of the Business as presently conducted, and to Seller's knowledge, is in compliance with the terms thereof. Except as set forth in Schedule 3.1(p) hereto, neither the Seller nor any Material Subsidiary has received any written claim, notice or complaint from any governmental agency, or from any person or group purportedly authorized to bring a private action pursuant to a citizens suit provision of an Environmental Law in the last five years, and to the knowledge of the Seller, at any time, alleging that the Real Property or the operation of the Business is in violation of any Environmental Law. All permits and other governmental authorizations currently held by the Seller or any Material Subsidiary pursuant to the Environmental Laws are identified in Schedule 3.1(p).

Except as set forth in Schedule 3.1(p), there is no Environmental Claim pending or, to the knowledge of Seller, threatened against the Seller or any Material Subsidiary. Except as set forth on Schedule 3.1(p), to Seller's knowledge, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge, presence or disposal of any Material of Environmental Concern, on the Real Property that could form the basis of any Environmental Claim against the Seller or any Material Subsidiary. Without in any way limiting the generality of the foregoing, to Seller's knowledge, (i) all on site locations where the Seller or any Material Subsidiary has stored or disposed of Materi-

als of Environmental Concern are identified in Schedule 3.1(p), (ii) underground storage tanks, and the capacity and contents of such tanks, located on the Real Property are identified in Schedule 3.1(p), and (iii) except as set forth in Schedule 3.1(p), no polychlorinated biphenyls (PCB's) are used or stored at the Real Property. To Seller's knowledge, since the date of acquisition of the Owned Real Property by the Seller, the Owned Real Property has not been used as a landfill or disposal site for hazardous, industrial or municipal waste. The Seller has not received any administrative or judicial order, decree, judgment or directive issued by any federal, state or local government or governmental agency or authority relating to or which requires environmental removal or remedial action (as defined under 42 U.S.C.A. section 9601 (23) and (24)) at the Owned Real Property. To Seller's knowledge, there is no lien on the Owned Real Property filed by any federal, state or local government or governmental agency or authority in connection with the presence of any Materials of Environmental Concern on or at the Owned Real Property.

(q) Subsidiaries. Schedule 1.2(G) hereto lists (i) all of the Subsidiaries and the number of shares of capital stock of each Stock Subsidiary outstanding and such number owned beneficially and of record by the Seller and (ii) each other corporation, partnership, joint venture or other person which owns or holds Purchased Assets or in which the Seller has made a financial investment Related to the Business. Each of the Subsidiaries is duly organized and validly existing under the laws of its jurisdiction of incorporation and has all necessary corporate power to own all of its respective properties and assets and to carry on its business as now being conducted.

(r) Finders and Investment Bankers. Except for the Seller's engagement of Goldman, Sachs & Co., the Seller has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Purchase.

(s) Undisclosed Liabilities. To the knowledge of the Seller, there are no liabilities or obligations, secured or unsecured, whether absolute, accrued, contingent or otherwise, and whether due or to become due (hereinafter in this paragraph (s) and for purposes of the definition of "Unknown Liabilities", "liabilities") of the Business, except for (i) liabilities of the Business that are or will be included as liabilities on the Final Statement; (ii) liabilities contained in each Assumed Contract that is fully and effectively assigned to the Purchaser; and (iii) Excluded Liabilities. Notwithstanding the foregoing, the Seller makes no represen-

tation or warranty in this Section 3.1(s) with respect to any Environmental Liability or Product Liability.

(t) Accounts Receivable. All accounts receivable reflected on the Final Statement will be good and collectible at the aggregate recorded amounts thereof (net of the allowance for doubtful accounts, which allowance will be adequate and consistent with past practices). To the Seller's knowledge, such accounts receivable will have arisen out of bona fide transactions in the ordinary course of business and will be owned by the Seller free and clear of all Liens.

(u) Inventory. All inventory of the Business to be reflected on the Final Statement will be valued at the lower of cost or market on a first-in, first-out basis in accordance with generally accepted accounting principles consistently applied and will consist of a quantity and quality usable and salable in the ordinary course of business, except for items of obsolete materials and materials of below-standard quality which will be written-down in the Final Statement to realizable market value or for which adequate reserves will be provided therein.

(v) Bank Accounts. Schedule 3.1(v) is a list of the names and locations of all financial institutions at which the Seller maintains in connection with the Business a deposit account or other similar deposit or safekeeping arrangement, the number or other identification of all such accounts and arrangements and the names of all persons authorized to draw thereon or have access thereto.

(w) Disclosure. The representations and warranties of the Seller in this Agreement and the statements contained in the schedules, certificates and other writings furnished and to be furnished by the Seller or any Subsidiary to the Purchaser pursuant to this Agreement when considered as a whole and giving effect to any supplements or amendment thereof do not and will not contain any untrue statement of a material fact and do not and will not omit to state any material fact necessary to make the statements herein or therein not misleading.

(x) Licenses and Permits. Except with respect to licenses and permits related to Environmental Matters and Intellectual Property, which are the subject of Sections 3.1(p) and 3.1(k) herein, the material governmental and third party licenses, permits, certificates, consents, approvals, waivers, authorizations and registrations (collectively, "Approvals") listed in Schedule 3.1(x) hereto constitute all the licenses and permits necessary for the Business to be conducted as now being conducted in all material respects. Each of such licenses and permits and the rights of the Seller or any

Subsidiary with respect thereto are valid and subsisting, in full force and effect, and the Seller or such Subsidiary is in compliance in all material respects with the terms of such licenses or permits. None of such licenses or permits has been or, to the knowledge of the Seller, is threatened to be, revoked, cancelled, suspended or modified. Without in any way limiting the foregoing, Seller has for each Owned Real Property located in the United States a current, valid certificate of occupancy and Seller's use of each such Owned Real Property is in conformity with such certificate of occupancy in all material respects.

(y) Taxes. (i) With respect to the Seller and each Asset Subsidiary for the Pre-Closing Tax Period, (A) except as set forth on Schedule 3.1(y)(i), all federal, state, local and foreign Tax Returns required to be filed by or on behalf of the Seller or any of the Asset Subsidiaries Related to the Business have been duly filed (or appropriate extensions filed) with the appropriate taxing authorities; (B) except as set forth on Schedule 3.1(y)(i), all Taxes shown on such Tax Returns for such Pre-Closing Tax Period have been paid or will be paid in full when due or assessed; (C) except as set forth on Schedule 3.1(y)(i), there are no pending examinations or other audits by federal, state, local or, to the knowledge of Seller, foreign taxing authorities Related to the Business (other than any such audit or examination relating to income or franchise tax) and no outstanding issue or claim is being asserted for Taxes (other than income or franchise taxes) by any federal, state, local or, to the knowledge of Seller, foreign taxing authority for any Pre-Closing Tax Period; and (D) except as set forth on Schedule 3.1(y)(i), there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any federal, state, local or, to the knowledge of Seller, foreign Tax Return (other than income or franchise Tax Returns) of the Seller or any of the Asset Subsidiaries Related to the Business.

(ii) With respect to each Stock Subsidiary for the Pre-Closing Tax Period, except as set forth on Schedule 3.1(y)(ii), (A) all foreign Tax Returns required to be filed by or on behalf of each of the Stock Subsidiaries have been duly filed (or appropriate extensions filed) with the appropriate taxing authorities and, to the knowledge of Seller, such Tax Returns are true, correct and complete; (B) all Taxes shown on such Tax Returns for such Pre-Closing Tax Period have been or will be paid in full when due or assessed; (C) to the knowledge of Seller, for all taxable years ending on or before June 30, 1993, (1) the income or franchise Tax Returns required to be filed by or on behalf of each of the Stock

Subsidiaries have been examined by the appropriate taxing authority, or (2) the period during which any assessments may be made by the taxing authority has expired, (D) to the knowledge of Seller, all deficiencies and assessments asserted in writing as a result of any examinations or other audits by foreign taxing authorities have been paid or fully settled and no issue or claim has been asserted for Taxes by any foreign taxing authority for any Pre-Closing Tax Period, other than those heretofore paid; and (E) to the knowledge of Seller, there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any foreign income Tax Return of any of the Stock Subsidiaries.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Seller as follows:

(a) Organization of the Purchaser. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all necessary corporate power to own, lease and operate all of its properties and assets and to carry on its business as now being conducted.

(b) Authorization and Noncontravention. The execution, delivery and performance of this Agreement has been duly authorized by the Purchaser and no other corporate proceedings on the part of the Purchaser are necessary to authorize this Agreement or the transactions contemplated hereby. The Purchaser has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by the Purchaser and constitutes a valid and legally binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. The execution and the delivery by the Purchaser of this Agreement and the consummation by the Purchaser of the Purchase will not (i) violate any term or provision of the Certificate of Incorporation or By-laws of the Purchaser; (ii) conflict with or result in a breach of or constitute a default under or result in the termination of, or entitle any party to accelerate (whether after the filing of notice or lapse of time or both), any agreement to which the Purchaser is a party or by which it is bound or to which any of its assets are subject, or result in the creation of any lien or encumbrance upon any of said assets, other than conflicts, breaches, defaults, terminations, accelerations, liens or encumbrances which, individually or in the aggregate, would not have a mate-

rial adverse effect on the assets, liabilities, business, financial condition or results of operations of the business of the Purchaser, taken as a whole, or materially impair the ability of the parties hereto to consummate the Purchase; or (iii) subject to the expiration of the applicable waiting periods under the HSR Act, the Exon-Florio Amendment and the GWB Act, violate or result in a breach of or constitute a default under any judgment, order, decree, law, rule, regulation or other restriction of any court, government or governmental agency to which the Purchaser is subject, other than violations, breaches or defaults which, individually or in the aggregate, would not have a material adverse effect on the assets, liabilities, business, financial condition or results of operations of the business of the Purchaser, taken as a whole, or materially impair the ability of the parties hereto to consummate the Purchase.

(c) Litigation. There are no written claims, actions, suits, proceedings or government investigations pending or, to the knowledge of the Purchaser, threatened which seek to question, delay or prevent the consummation of, or would materially impair the ability of the parties hereto to consummate, the Purchase.

(d) Approvals and Consents. Except for compliance with the HSR Act, the Exon-Florio Amendment, and the GWB Act and other purely notice filings with certain governmental agencies in Europe which the Purchaser has made or will make in accordance with applicable regulations, (1) there are no authorizations, approvals, consents or waivers required to be obtained from, or notices or filings required to be given to or made with, any government or governmental agency by the Purchaser in connection with the Purchase, and (2) there are no authorizations, approvals, consents or waivers required to be obtained by the Purchaser from any third party or notices to be given to any third party by the Purchaser in connection with the Purchase.

(e) Finders and Investment Bankers. Except for the Purchaser's engagement of CS First Boston Corporation, the Purchaser has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Purchase.

(f) Access to Funds. The Purchaser has, or has immediate access to, and will have on the Closing Date, sufficient cash to meet its obligations under Sections 2.2 and 2.4 hereof.

(g) Disclosure. The representations and warranties of the Purchaser in this Agreement and the statements contained in the schedules, certificates and other writings furnished and to be furnished by the Purchaser

to the Seller pursuant to this Agreement when considered as a whole and giving effect to any supplements or amendment thereof do not and will not contain any untrue statement of a material fact and do not and will not omit to state any material fact necessary to make the statements herein or therein not misleading.

ARTICLE IV
Covenants

4.1 Operation of The Business. From the date hereof until the Closing Date, the Business shall be operated in the ordinary course of business consistent with past practice. Without limiting the generality of the foregoing, except as otherwise contemplated by this Agreement or consented to by the Purchaser (which consent will not be unreasonably withheld), the Seller covenants and agrees with respect to the Business that it will not:

(a) terminate or amend, or fail in any material respect to perform material obligations under any Material Agreement;

(b) sell, transfer, mortgage or otherwise dispose of, or encumber, any Purchased Assets having a value, individually or in the aggregate, in excess of $100,000, other than in the ordinary course of business consistent with past practice;

(c) issue, contract to issue, or cause to be issued or contracted to issue, on behalf of the Business, additional debt (excluding trade accounts payable in accordance with their terms) or guarantees of debt;

(d) make or become obligated to make any capital expenditures in excess of $50,000 for any single project or $250,000 in the aggregate or enter into any commitments therefor, other than as described in Schedule 4.1 hereto;

(e) commit to any expenditures in excess of $50,000 individually or $250,000 in the aggregate, other than expenditures in the ordinary course of business;

(f) fail to maintain in full force and effect substantially the same level and types of insurance coverage as in effect on June 30, 1993;

(g) change its accounting methods, principles or practices;

(h) materially revalue any assets or materially write down the value of any inventory;

(i) (A) increase the compensation payable or to become payable to any Employee, other than regular, scheduled compensation increases, or (B) make any increase in any bonus plan, insurance, pension or other employee benefit plan, payment or arrangement made to, for or with any Employee other than pursuant to the terms of any such plan or as a result of a regularly scheduled

compensation increase;

(j) waive or release any rights or claims exceeding $50,000 in the aggregate, other than settlements of accounts receivable in the ordinary course of business not to exceed $100,000 in the aggregate;

(k) (i) dispose of or allow to lapse (other than by operation of law), or otherwise fail to preserve, any Intellectual Property, dispose of or allow to lapse (other than by operation of law) any material license, permit or other form of authorization, or (ii) dispose of or disclose to any person, other than authorized representatives of the Purchaser, any material trade secret, formula, process or know how of the Seller or any Subsidiary Related to the Business, except pursuant to non-disclosure or secrecy agreements entered into in the ordinary course of business; or

(l) agree to do any of the foregoing.

4.2 Preservation of Business. From the date hereof until the Closing Date, the Seller shall use reasonable efforts to keep the Business substantially intact and to maintain satisfactory relations with the Employees and with the suppliers and customers of the Business.

4.3 Approvals and Consents; Cooperation. (a) The parties hereto shall use reasonable efforts, and cooperate with each other, to obtain all governmental and third party authorizations, approvals, consents or waivers required in order to consummate the Purchase, including, without limitation, pursuant to the Exon-Florio Amendment and the GWB Act; provided, however, that neither the Seller nor the Purchaser shall be required to pay any other consideration therefor. Subject to the foregoing and the other terms and conditions set forth herein, each of the parties hereto agrees to use its reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate the Purchase.

(b) As promptly as reasonably practicable after the execution hereof, the Purchaser and the Seller shall make their respective filings under the HSR Act, the Exon-Florio Amendment, and the GWB Act and each party shall be responsible for the payment of its respective filing fees.

4.4 Access. From the date hereof until the Closing, (a) the Seller will furnish to the Purchaser any information with respect to the Business as the Purchaser may from time to time reasonably request, and (b) the Purchaser may, at its discretion, locate one of its representatives at the Division's headquarters located in Westbury, New York, subject to the restrictions set forth in the next sentence; and provided further that the

Seller shall be permitted to restrict access by such representative to any Employee to the extent that the Seller determines, in its sole discretion, that such access could result in the disclosure of competitive information related to the Seller or the Business. Beginning immediately upon the execution hereof, the Seller, upon reasonable notice by the Purchaser, shall give or cause to be given to the Purchaser and to its accountants, counsel and other authorized representatives, during regular business hours, in a manner so as not to unduly disrupt the business of the Seller or the Business, reasonable access to all of the properties, documents and records Related to the Business except to the extent that such access would violate any governmental regulation, law or order to which the Business or the Employees are subject; provided, however, that the Seller shall have the right to have a representative present at all such times; and provided, further, that such access shall be at the expense and risk of the Purchaser, and the Purchaser shall indemnify and hold harmless the Seller from and against any loss, expense, damage, liability or claim arising from the Purchaser's negligence or misconduct during such access in accordance with Article VI hereof.

4.5 Taxes and Fees. (a)(i) Seller shall timely prepare and file, or cause to be prepared and filed, all Tax Returns of any Stock Subsidiary for the Pre-Closing Tax Period and Seller shall timely pay, or cause to be paid, when due all Taxes relating to such Tax Returns (including any such Taxes assessed or due after the Closing Date). Such Tax Returns shall be prepared or completed in a manner consistent with prior practice of Seller and the Stock Subsidiaries (including elections and accounting methods and conventions), except as otherwise required by law or regulation or otherwise agreed to by Purchaser prior to the filing thereof, and such Tax Returns shall be true, correct and complete to the knowledge of Seller. Purchaser shall cooperate with Seller in connection with the preparation and filing of such Tax Returns (including, without limitation, by causing the Stock Subsidiaries to sign such Tax Returns, provided such Tax Returns are prepared or completed in a manner consistent with the prior sentence). No later than five (5) business days prior to the due date for any such Tax Return, Seller shall provide Purchaser with a signature copy of such Tax Return. Promptly after receipt of such Tax Return, Purchaser shall notify Seller of any reasonable objections Purchaser may have to the filing of such Tax Returns and Purchaser and Seller agree to consult and resolve in good faith any such objection to the signing of any such Tax Return; provided, however, that in the

event such resolution fails, Purchaser and Seller agree to submit any such Tax Return to the Independent Accounting Firm whose determination as to the propriety of filing such Tax Return shall be binding, and to share equally any and all expenses associated with such consultation.

(ii) For any taxable period beginning after the Closing Date, Purchaser shall timely prepare and file, or cause to be prepared and filed, all Tax Returns of the Stock Subsidiaries, and such Tax Returns shall be true, correct and complete to the knowledge of Purchaser, and shall timely pay, or cause to be paid, when due all Taxes relating to such Tax Returns.

(iii) Any Taxes described in this Section 4.5(a)(iii) due with respect to Seller, or any Subsidiary that relate to any Straddle Period shall be apportioned between Purchaser and Seller with respect to the portions of any such period before and after the Closing Date, (x) with respect to Seller or any Subsidiary, in the case of real and personal property, use and intangible Taxes (in the case of Seller or any Asset Subsidiary to the extent such Taxes are Related to the Business), on a per diem basis and, where applicable, in accordance with the provisions of Code Section 164(d), and (y) with respect to any Stock Subsidiary, in the case of other Taxes, based on a deemed closing of the books of the Stock Subsidiaries as of the Closing Date, with all standard exemptions, deductions, progressivity in rates and other items with respect to the full Straddle Period allocated between the portion of the Straddle Period falling in the Pre-Closing Tax Period and the remainder of such Straddle Period on a per-diem basis; provided, however, that in no event shall either party's obligation with respect to its portion of a particular Straddle Period Tax of a Stock Subsidiary as calculated under this clause (y) exceed the liability for that particular Tax of such Stock Subsidiary for such Straddle Period. Straddle Period Tax Returns other than those relating to Stock Subsidiaries shall be prepared and timely filed by the entity responsible for filing such Tax Returns under local law, regulation or custom, and Seller or Purchaser, as the case may be, shall cause such entity to timely file such Tax Returns and timely pay and Tax due with respect to such Tax Returns when due or assessed. To the extent that any Tax Returns of a Stock Subsidiary with respect to any Straddle Period are due on or prior to the Closing (taking into account applicable extensions), Seller shall timely prepare and file, or cause to be prepared and filed, all such Returns and shall timely pay, or cause to be paid when due, all Taxes relating to such Returns. To the extent any Tax Returns of a Stock Subsidiary with re-

spect to any Straddle Period are due after the Closing (taking into account applicable extensions), Purchaser shall timely prepare and file, or cause to be prepared and filed, all such Tax Returns and shall timely pay, or cause to be paid when due, all Taxes relating to such Tax Returns. All Straddle Period Tax Returns shall be prepared in a manner consistent with past practice of Seller or the relevant Subsidiary and in a manner that does not distort the taxable income or loss or Tax liability of Seller, any Subsidiary, Purchaser or any affiliate of the foregoing, except as required by law or regulation or otherwise agreed to by Purchaser and Seller and such Tax Returns shall be true, complete and correct to the best knowledge of the party responsible for filing such Tax Return under this Section 4.5(a)(iii) (the "Filing Party"). At least fifteen (15) business days prior to the due date for filing (including extensions) of any Straddle Period Tax Return due after Closing, the Filing Party shall provide the other party with a substantially final draft of such Tax Return and a notice setting forth in reasonable detail the calculations regarding the other party's share of Straddle Period Taxes shown as due on such Tax Return (calculated as described in this Section 4.5(a)), and the other party shall have the right to review such Tax Return and such notice. The other party shall notify the Filing Party of any reasonable objections the other party may have to any items set forth in such Tax Return and to the Filing Party's calculations regarding the other party's share of Straddle Period Taxes, and the parties agree to consult and resolve in good faith any such objection to the calculation of Straddle Period Taxes and the filing of such Tax Returns and to mutually consent to the filing of such Tax Returns; provided, however, that in the event such resolution fails, each party agrees to submit any such Tax Return to the Independent Accounting Firm, whose determination as to the calculation of Straddle Period Taxes and the propriety of filing such Tax Return shall be binding, and to share equally any and all expenses associated with such consultation.

(iv) To the extent a Straddle Period Tax has been paid in full by Seller or any Subsidiary (or an affiliate of any of them) prior to the Closing (excluding any estimated or like Tax payments), Purchaser shall pay to Seller at Closing the amount of any such Taxes apportioned to Purchaser under the first sentence of paragraph 4.5(a)(iii). With respect to all other Straddle Period Taxes, Seller shall pay Purchaser (but only to the extent not paid by Seller or any Subsidiary or an affiliate of any of them) or Purchaser shall pay Seller, as the case may be, the amount apportioned to the relevant party

under the first sentence of paragraph 4.5(a)(iii) the later of the payment date of the Straddle Period Tax or within fifteen (15) business days of receipt of the notice described in Section 4.5(a)(iii) (or at such other time as is mutually agreed by the parties) by Seller or Purchaser, respectively. Seller and Purchaser shall adjust the amount of Straddle Period Taxes apportioned under the first sentence of paragraph 4.5(a)(iii) in the event of a change in the amount of such Taxes due as a result of any audit, examination, claim for refund or otherwise and, subject to the provisions of this Section 4.5, make appropriate payments reflecting such adjustments.

(b)(i) Seller shall be entitled to retain, or receive payment from the Purchaser and any Subsidiary of any refund or credit with respect to Taxes (including, without limitation, refunds and credits arising by reason of the carryover or carryback of any deduction, loss or credit to any Pre-Closing Tax Period or Seller's portion of any Straddle Period or the filing of an amended return for any such periods) that are described as being the responsibility of the Seller in Section 4.5(a). Purchaser shall promptly forward to or reimburse Seller for any such refunds or credits due Seller after the receipt thereof by Purchaser or the Subsidiaries.

(ii) Purchaser and the Subsidiaries shall be entitled to retain, or receive payment from the Seller of, any refund or credit with respect to Taxes that are described as being the responsibility of Purchaser in Section 4.5(a) and that are not due to Seller under Section 4.5(b)(i). Seller shall promptly forward to or reimburse Purchaser for any such refunds or credits due Purchaser after the receipt thereof.

(c) Seller shall control the representation of the interests of Seller and any Stock Subsidiaries in any Tax audit or administrative or court proceeding relating to Tax Returns described in Section 4.5(a) with respect to which Seller may be liable for Taxes pursuant to this Agreement; provided, however, that Seller will consult with Purchaser regarding any Tax issue of a Stock Subsidiary that may affect the Tax liability of Purchaser, any of its affiliates or any Stock Subsidiary for any period ending after the Closing Date and that where a particular Tax issue of a Stock Subsidiary would in the reasonable opinion of Purchaser, have an adverse effect on the Tax liability of Purchaser, any of its affiliates or any Stock Subsidiary for any period ending after the Closing Date, Purchaser shall have the right, at its discretion after good faith consultation with Seller, to release Seller from its obligation to indemnify Purchaser with respect to such Tax issue by a written agreement mutually

agreed to by Seller and Purchaser and, in that event, to participate in any such audit or proceeding and control the representation of the interest of the relevant Stock Subsidiary solely with respect to such Tax issue and to employ counsel of its choice at its own expense for purposes of such participation. Purchaser and Seller mutually agree to consult and cooperate with each other so that the transfer of control is effected in a manner that will minimize any disruption to any such audit or proceeding and so that Seller is not prejudiced in any such audit or proceeding. Notwithstanding anything to the contrary contained or implied in this Agreement, without the prior approval of Purchaser, Seller shall not agree to compromise any issue or claim arising in any audit or proceeding covered by this Section 4.5(c) to the extent that any such compromise would affect the Tax liability of Purchaser, any of its affiliates, or any Stock Subsidiary for any period ending after the Closing Date (including a Straddle Period).

(d) Each party shall promptly notify the other party in writing upon receipt by the notifying party, or any affiliate of the notifying party, of notice of any pending or threatened Tax audits or assessments relating to Seller or any Asset Subsidiary (in each case only to the extent Related to the Business) or any Stock Subsidiary, in each case for Pre-Closing Tax Periods and Straddle Periods only.

(e) After the Closing Date, Purchaser and Seller shall provide each other with such cooperation and information relating to Seller or any Asset Subsidiary (in each case only to the extent Related to the Business) or Stock Subsidiary as either party reasonably may request in filing any Tax Return, determining any Tax liability or a right to refund of Taxes, conducting or defending any audit or other proceeding in respect of Taxes or effectuating the terms of this Agreement. Any information obtained under this Section 4.5(a) shall be kept confidential, except as may be otherwise necessary in connection with filing any Tax Return, amended return, or claim for refund, determining any liability or a right to refund of Taxes, or in conducting or defending any audit or other proceeding in respect of Taxes. Purchaser and Seller agree that the party requesting such cooperation or information shall reimburse the other party for the reasonable out-of-pocket costs and expenses incurred in providing such cooperation or information. Notwithstanding the foregoing, neither Seller nor Purchaser, nor any of their affiliates, shall be required unreasonably to prepare any document, or determine any information not then in its possession, in response to a request under this Section 4.5(e).

(f) All transfer, sales, use, recording, ad valorem, real property transfer, real property conveyance, documentary, notarial, excise, value added, stamp and other like Taxes, fees and expenses (the "Transfer Taxes") which may be due or payable in connection with the consummation of the Purchase, including without limitation, fees and expenses in connection with the transfer or the Intellectual Property, shall be paid and borne by Purchaser and Seller equally, with the exception of any tax imposed on the transfer of real property and measured solely by the excess, if any, between the amount of Aggregate Consideration (as hereinafter defined) allocated to such real property and Seller's original purchase price (or basis, if applicable) for such real property (a "Real Property Transfer Gains Tax"), which shall be paid and borne by Seller. Such payments shall not be treated as either an increase or reduction in Aggregate Consideration. To the extent that Buyer, Seller or any Subsidiary is entitled to a refund of any Transfer Taxes paid pursuant to this Section 4.5(f), the party so entitled shall file for a refund of such Transfer Taxes, which refund shall be shared equally by Seller and Buyer; provided, however, that any refunds of Real Property Transfer Gains Taxes shall be solely for the account of the Seller. The party that applies for such refund shall promptly pay over to the other party that other party's portion of such refund upon receipt thereof by the applying party (or any affiliate).

(g) On or before the Closing Date, Purchaser and Seller shall (to the extent required by law) complete, execute, deliver and verify any return, questionnaire, affidavit, resale certificate, certificate of registration, or other document required in connection with any Tax, including but not limited to Transfer Taxes, relating to the sale of the Purchased Assets, including any pre-filing documents (including, without limitation, any filing required by the New York State real property transfer gains tax provisions).

(h) Any indemnification payments made pursuant to this Agreement, shall, to the extent permitted by applicable law, be treated as an adjustment to the purchase price.

(i) Prior to the Closing, the Purchaser and the Seller shall agree to an allocation of the Aggregate Consideration among the Purchased Assets. The Purchaser and the Seller represent, warrant and agree that the fair market values of the assets included in the Purchased Assets will be determined through arm's length negotiations, provided, however, that in no event shall the amount allocated to New York state real property (including, without limitation, land, buildings, fixtures and

improvements) exceed $6,000,000. Such allocation in any event shall comply with the requirements of Section 1060 of the Code. The Seller and the Purchaser agree that, to the extent permitted by applicable law, they shall file all income tax returns and reports in accordance with and based upon such allocation and shall take no position in any income tax return, proceeding or audit which is inconsistent with such allocation. As used in this Section 4.5(i), the term "Aggregate Consideration" shall mean the sum of the Purchase Price paid pursuant to this Agreement and the amount of the Assumed Liabilities of the Seller and the Asset Subsidiaries, each as adjusted pursuant to this Agreement. Notwithstanding any other provision of this Agreement, the foregoing agreement shall survive the Closing Date without limitation. Each of the Purchaser and the Seller shall timely file a federal form 8594 in accordance with the requirements of Section 1060 of the Code and the regulations thereunder.

(j) Seller shall furnish to the Purchaser such information as is necessary for the application of the incremental research credit provisions of Section 41(f)(3)(A) of the Code.

(k) With respect to that certain Profit & Loss Pooling Agreement dated April 8, 1992 between Perkin-Elmer Holding GmbH Uberlingen (PEH) and Perkin-Elmer Metco GmbH Hattersheim (Metco Gmbh), Purchaser shall promptly reimburse Seller for any payment made by PEH to Metco GmbH pursuant to that agreement if such payments are made after the Closing Date due to the requirements of German law and the statutory audit. Any such reimbursement by Purchaser shall be considered an adjustment to the Purchase Price. Seller shall cause PEH to promptly reimburse Metco GmbH, or Purchaser shall cause Metco GmbH to reimburse PEH, as the case may be, for any amount due to or from either Metco GmbH or PEH with respect to the VAT account between PEH and Metco GmbH promptly after the determination thereof and in any case prior to the time for payment thereof.

4.6 Preservation of Records. The Purchaser agrees that it shall cause to be preserved and kept the records of the Seller Related to the Business delivered to it hereunder for a period of six (6) years from April 15, 1995, or for any longer period as may be required by applicable law or in connection with any ongoing litigation, and shall make such records (for the period of time referred to above) and employees of the Purchaser (for an unlimited period of time) available to the Seller as may be reasonably required by the Seller in connection with any legal proceedings involving, or governmental investigations or tax examinations of, the Seller. In the event the Purchaser wishes to destroy such records after that

time, it shall first give ninety (90) calendar days' prior written notice to the Seller and the Seller shall have the right at its option, upon notice given to the Purchaser within said 90-day period, to take possession of said records.

4.7 Employee Benefits and Related Matters.

(a) Covenants of the Purchaser. (i) Within a reasonable period of time prior to Closing, the Purchaser shall make offers of employment, which employment shall be effective as of the Closing Date and subject to consummation at the Closing of the transactions contemplated hereby, to (X) every employee of the Division who is on the date hereof employed in the Business in the United States and who is listed on Schedule 4.7(a)(1) (the "United States Transferred Employees"), (Y) every employee of the Division who is on the date hereof employed in the Business outside the United States by a Stock Subsidiary or an Asset Subsidiary and who is listed on Schedule 4.7(a)(1) (the "Foreign Transferred Employees"), and (Z) every other employee hired by the Division in the ordinary course of business from the date hereof to the Closing to be employed by the Division in the United States or in a foreign location and who will be listed on an amendment to Schedule 4.7(a)(1) which will be delivered to the Purchaser prior to the Closing (the "New Transferred Employees"). The United States Transferred Employees, the Foreign Transferred Employees, and the New Transferred Employees are referred to herein collectively as the "Transferred Employees." Such offers of employment shall be at the job title and annual salary set forth opposite the respective Transferred Employees' names on Schedule 4.7(a)(1), as the same may be updated by the Seller from time to time prior to the Closing. In addition, as part of its offer of employment to all Transferred Employees: (A) the Purchaser shall offer a severance plan containing severance benefits payable upon any termination of such Transferred Employee's employment after the Closing as set forth in Schedule 4.7(a)(2) hereto (the "Purchaser Severance Plan"); (B) the Purchaser shall offer such Transferred Employees such other terms and conditions set forth on Schedule 4.7(a)(2) hereto including the opportunity to participate in the other plans, arrangements, commitments, benefits and payroll practices (including severance, pension and welfare plans) set forth on Schedule 4.7(a)(2); (C) the Purchaser's medical plan shall not contain any exclusion or limitation with respect to any pre-existing conditions; (D) the Purchaser shall cause the Purchaser's medical plan to recognize any out-of-pocket medical and dental expenses incurred by Transferred Employees and their eligible dependents prior to the Closing Date and

during the calendar year in which the Closing Date occurs for purposes of determining the deductibles and out-of-pocket maximums applicable to such Transferred Employees; (E) the Purchaser shall credit each Transferred Employee for time of service with the Division and the Seller for purposes of eligibility, vesting and benefit accrual (including vacation entitlement) under all such employee benefit plans maintained by the Purchaser (including, without limitation, the Purchaser Severance Plan); (F) for a period of two years following the Closing Date, the Purchaser will not reduce the benefits available under the Purchaser Severance Plan nor the aggregate level of employee benefits (when such benefits are considered as a whole) offered to such Transferred Employees; and (G) with respect to any Transferred Employee employed by the Division outside the United States, the Purchaser shall comply with all applicable legislation affecting such employee's rights upon a transfer of a business. The Purchaser will give each Transferred Employee an opportunity to ask and have answered prior to the Closing any questions such Transferred Employee may have regarding the foregoing offer of employment and shall, if requested by the Seller, provide written confirmation to the Seller of such offers of employment.

(ii) Based upon (x) the Purchaser's review and analysis of all information provided by the Seller concerning the severance, pension, welfare and other employment plans and policies currently being provided by the Seller to the United States Transferred Employees (the "Seller's United States Plans"), (y) discussions between the Purchaser's representatives and the Seller's representatives concerning the Seller's United States Plans, and (z) the Purchaser's review of the Seller's United States Plans, the Purchaser believes that the aggregate benefits to be provided by the Purchaser's severance, pension, welfare and other employment plans and policies to the United States Transferred Employees following the Closing (the "Purchaser's United States Plans") are comparable in the aggregate to the Seller's United States Plans. The Purchaser agrees to offer the Seller reasonable cooperation and consultation in connection with the Seller's supporting or defending the comparability of the Purchaser's United States Plans, including in connection with ordinary course communications with the United States Transferred Employees (including the introduction and explanation of the employee benefits provided by the Purchaser); grievances or complaints by the United States Transferred Employees in respect of such comparability; and administrative or judicial proceedings commenced by a United States Transferred Employee in respect of such comparability. Such cooperation

shall include making available employees and records of the Purchaser as reasonably requested by the Seller, providing information and analyses prepared by the Purchaser with respect to the Purchaser's comparability analysis and offering reasonable consultation to the Seller in connection with the Seller's defense of any administrative or judicial proceeding or employee grievance or complaint with respect to the comparability of employee benefits. Notwithstanding the foregoing:

(1) the provisions of this paragraph (a) shall not grant to any such persons any right to continued employment if the Purchaser elects to terminate any such person's employment;

(2) the severance benefits offered to any Transferred Employee and payable upon any termination of such Transferred Employee after the Closing shall be as set forth on the Purchaser Severance Plan;

(3) except as otherwise expressly provided herein, nothing contained in this Agreement shall be construed to obligate the Purchaser to assume, provide, sponsor, maintain or contribute to any employee benefit plans, arrangements, commitments and payroll practices (whether or not such plan, arrangement, commitment or practice is an "employee benefit plan" as defined in Section 3(3) of ERISA), including, without limitation, with respect to sick leave, vacation pay, severance pay, salary continuation for disability, consulting or other compensation arrangements, retirement, deferred compensation, bonus, incentive compensation, stock purchase, stock option, health including hospitalization, medical and dental, life insurance, scholarship plans or programs and "Multiemployer Plans" (as such term is defined by Section 4001(a)(3) of ERISA), maintained by the Seller for the benefit of any such Transferred Employees or to which the Seller has contributed or is or was obligated to make payments); and

(4) the Purchaser shall not be required to offer employment to any employee of the Division who is receiving either short-term or long-term disability benefits under a short-term or long-term disability plan of the Seller or a Subsidiary as of the Closing Date, and such employee shall not be considered a Transferred Employee, unless and until such employee is able to resume active employment within one year after the Closing Date.

(b) Severance Liability of the Purchaser. Notwithstanding any provisions of any severance or other similar plan maintained by the Seller for the benefit of any Transferred Employee, the Purchaser shall have no liability for any severance or other similar payment under any plan maintained by Seller to any Transferred

Employee to whom it makes an offer of employment in conformity with the terms of Section 4.7(a), nor shall the Purchaser have any liability to the Seller for any severance or other similar payment to any Transferred Employee to whom the Purchaser makes such an offer of employment. If the Purchaser fails to make an offer of employment in conformity with Section 4.7(a) to any Transferred Employee and if, by reason of such failure, the Seller is subject to an obligation for a severance or other similar payment to such Transferred Employee, the Purchaser shall discharge such obligation either by making such payment directly to the Transferred Employee or by reimbursing the Seller for such payment by the Seller. Notwithstanding the foregoing, the Purchaser shall be liable for any severance or other similar payment required to be made to any Transferred Employee under the terms of the Purchaser Severance Plan. To the extent that any employment termination pay has been funded in Italy, the Seller shall transfer to the Purchaser the portion of the fund attributable to the Transferred Employees employed by the Division in Italy to whom offers of employment have been made in conformity with Section 4.7(a) and accepted.

(c) For purposes of allocating responsibility for claims incurred by Transferred Employees and their covered dependents between the Seller's welfare plans and the Purchaser's welfare plans, the following rules shall apply (for purposes of this paragraph (c), references to the Seller and its plans shall, where appropriate, be references to the applicable Subsidiary and its plans):

(i) The Seller's short-term and long-term disability plans shall continue to be responsible for long-term disability benefits payable to any Transferred Employee who is receiving short-term or long-term disability benefits as of the Closing Date, until such time as such Transferred Employee resumes active employment with the Purchaser. The Purchaser's short-term and long-term disability plans shall be responsible for all other disability benefits payable to Transferred Employees on and after the Closing Date. Any period of short-term disability incurred by a Transferred Employee under the Purchaser's short-term disability plan shall count towards the waiting period for long-term disability benefits under the Purchaser's long-term disability plan.

(ii) With respect to all other welfare benefits, the Seller's plans shall be responsible for claims incurred by Transferred Employees and their covered dependents prior to the Closing Date, and the Purchaser's plans shall be responsible for claims incurred on and after the Closing Date. A claim shall be deemed incurred when an individual obtains professional services, equip-

ment or prescription drugs covered by a medical, prescription drug, dental or vision benefit plan, upon death in the case of a life insurance plan, and as of the date of the accident in the case of an accidental death and dismemberment plan.

(iii) Notwithstanding the foregoing, the Seller's plans shall be responsible for the cost of all professional services, equipment and prescription drugs provided during a hospital stay or similar confinement of a Transferred Employee or his or her covered dependent that begins prior to the Closing Date and ends after the Closing Date (subject to the terms and conditions of the Seller's applicable plans), and the Purchaser's plans shall be responsible for the cost of all professional services, equipment and prescription drugs obtained by such Transferred Employee or covered dependent after the termination of such hospital stay or similar confinement (subject to the terms and conditions of the Purchaser's applicable plans).

(d) No Third-Party Beneficiaries. No provision of this Section 4.7 shall create any third-party beneficiary rights in any person or organization, including, without limitation, employees or former employees (including any beneficiary or dependent thereof) of the Seller or the Purchaser or any of their respective affiliates, unions or other representatives of such employees or former employees, or trustees, administrators, participants or beneficiaries of any employee benefit plan, and no provision of this Section 4.7 shall create such third-party beneficiary rights in any such person or organization in respect of any benefits that may be provided, directly or indirectly, under any employee benefit plan or arrangement, including the currently existing plans of the Seller or the Purchaser.

4.8 Confidentiality. The terms of the letter agreement dated as of September 14, 1993 (the "Confidentiality Agreement") between the Seller and the Purchaser are incorporated by reference herein and shall apply with full force and effect to the Purchaser for the term set forth therein; provided, however, that after the Closing, the Purchaser shall be free to use any confidential information Related to the Business in any manner that it desires.

4.9 Use of Name. On the Closing Date, the Purchaser shall cease using the name "Perkin-Elmer" or any variation thereof in connection with the operation of the Business or as part of any corporate, partnership or assumed name and shall file such documents as are necessary and appropriate to change any such corporate, partnership or assumed name to a dissimilar name and shall promptly assume a dissimilar name for all purposes of the

Business; provided, however, that for a period of one year from the Closing Date, the Purchaser may sell and distribute (a) all inventory existing on the Closing Date bearing the name "Perkin-Elmer" and (b) any inventory manufactured after the Closing Date with labels bearing the name "Perkin-Elmer" which were in stock or ordered on the Closing Date.

4.10 Transition Services. For a period of six (6) months following the Closing Date, the Seller shall make available to the Purchaser those support and administrative services, including, without limitation, computer and data processing services and any software associated therewith, currently being provided by the Seller to the Business on a basis substantially consistent with the Seller's recent historical practice requested by the Purchaser. The Purchaser will reimburse the Seller for the cost (including without limitation, any documented surcharges imposed by outside vendors) of such services promptly upon (but not more than thirty (30) calendar days following) the receipt of an invoice from the Seller therefor.

4.11 Current Information. During the period from the date of this Agreement to the Closing Date, the Seller will notify the Purchaser of any material change in the normal course of business or operations of the Business and the receipt of any governmental complaints, formal investigations or hearings (or communications indicating that the same may be contemplated), or the institution or written threat or settlement of material litigation, in each case Related to the Business, and to keep the Purchaser fully informed of such events.

4.12 Disclosure Supplements. From time to time prior to the Closing Date, the Seller will promptly supplement or amend the Schedules made a part of this Agreement with respect to any matter hereafter arising which, if existing or occurring at or prior to the date of this Agreement, would have been required to be set forth or described in a Schedule hereto or which is necessary to correct any information in a Schedule hereto or in any representation and warranty of the Seller which has been rendered inaccurate thereby. For purposes of determining the accuracy of the representations and warranties of the Seller contained in this Agreement in order to determine the fulfillment of the conditions set forth in Section 5.2(a), the Schedules delivered by the Seller shall be deemed to include only that information contained therein on the date of this Agreement and shall be deemed to exclude any information contained in any subsequent supplement or amendment thereto. For purposes of determining any liability of the Seller hereunder or otherwise after the Closing, the Schedules delivered

hereunder shall be deemed amended by any information supplied by the Seller as contemplated by this Section 4.12.

4.13 Covenant Not to Compete. (a) The Seller agrees that it will not, for a period of five years following the Closing Date, (i) directly or indirectly own, manage, operate, finance or participate in the ownership, management, operation or financing of, any business which is competitive with the Business, (ii) engage in any other manner in any business which is competitive with the Business, or (iii) induce or attempt to induce any customers, suppliers or distributors of the Division to terminate their relationships with the Business; provided, however, that the Seller's compliance with Section 4.10 shall not be deemed a breach of this Section 4.13.

(b) The Seller agrees that for a period of two years following the Closing Date, it will, and it will cause its officers, directors and employees to, keep secret and retain in confidence, and not at any time or for any reason, directly or indirectly (including but not limited to, acting by, through or with any subsidiary, affiliate, or any other person, firm, corporation, joint venture or agent), use, publish or disclose, any non-public and confidential information Related to the Business, except as required by law or the rules of an applicable stock exchange, and further, that the Seller will not use or exploit the same for its own benefit or with or for the benefit of others. Notwithstanding the foregoing provisions of this Section 4.13(b), the Seller agrees that at all times following the Closing Date, it will, and it will cause its officers, directors and employees to, keep secret and retain in confidence, and not at any time or for any reason, directly or indirectly (including but not limited to, acting by, through or with any subsidiary, affiliate, or any other person, firm, corporation, joint venture or agent), use, publish or disclose, any non-public and confidential information with respect to Intellectual Property except as required by law or the rules of an applicable stock exchange. For the purposes of this Agreement, non-public and confidential information shall include, without limitation, customer lists, marketing plans and strategies, market studies and data, pricing policies and lists, manufacturing methods, specifications, processes and procedures, sources of supply, designs, the terms of contracts or agreements, know-how, trade secrets or any other information or data which is not public and of a confidential nature, Related to the Business.

(c) The Seller agrees that it will not, for a period of two years following the Closing Date, directly solicit the employment of any person who is at the time

employed by the Business without the Purchaser's prior written consent.

4.14 Title Commitment and Survey. The Purchaser has ordered (at the cost and expense of the Purchaser) title commitments (as amended from time to time, the "Title Commitments") for each Owned Real Property located in the United States issued by Chicago Title Insurance Company (the "Title Company"). The Purchaser and the Seller shall mutually cooperate to obtain (at the sole cost and expense of the Purchaser) (i) updates of each Title Commitment from time to time prior to the Closing Date, and (ii) a survey or an updated survey depicting each Owned Real Property located in the United States, with an ALTA/ASCM certification or its equivalent to Purchaser and the Title Company and otherwise in form reasonably satisfactory to the Purchaser and its counsel and the Title Company, prepared by a surveyor reasonably acceptable to the Purchaser licensed to practice in the state where such property is located (the "Survey"). If a Title Commitment or update shall reveal one or more defects to title not included as Permitted Encumbrances (the "Unpermitted Encumbrances"), Purchaser shall promptly notify Seller of such Unpermitted Encumbrances and Seller shall (a) cure such Unpermitted Encumbrances which can be cured with the payment of money only ("Monetary Defects"); provided that the Seller shall not be obligated to spend in excess of $5,000,000 in the aggregate (the "Monetary Defects Cure Cap") to cure such Monetary Defects, except that the foregoing dollar limit shall not apply to Monetary Defects which were voluntarily placed upon the Owned Real Property by the Seller; and (b) shall use reasonable efforts to cure the Unpermitted Encumbrances which cannot be cured with the payment of money only ("Non-Monetary Defects") prior to Closing. If, prior to the Closing, Seller is unable to cure the Non-Monetary Defects or is unable or unwilling to cure such Monetary Defects in excess of the Monetary Defects Cure Cap (the "Extraordinary Monetary Defects"), Purchaser shall have the option to either (i) consummate the transaction contemplated by this Agreement, except that Purchaser shall not be obligated to acquire the particular Owned Real Property affected by the Non-Monetary Defects and there shall be an adjustment to the Purchase Price equal to the value of that particular Owned Real Property as allocated by the parties, or (ii) consummate the transaction contemplated by this Agreement, including, without limitation, the acquisition of the particular Owned Real Property affected by the Non-Monetary Defects and/or the Extraordinary Monetary Defects with no adjustment to the Purchase Price, and such Non-Monetary Defects and/or such Extraordinary Monetary Defects shall be

deemed to be Permitted Encumbrances.

4.15 Releases of Guarantees. The Purchaser agrees that it will either (i) cause the Seller to be released as of the Closing Date from the guarantees listed on Schedule 4.15 hereto or (ii) indemnify the Seller with respect to any such guarantee from which the Seller is not released as of the Closing Date.

4.16 Further Assurances. At any time or from time to time after the Closing, either party shall, at the request of the other party, execute and deliver any further instruments and documents and take such further action as such party may reasonably request, in order to consummate and make effective the transactions contemplated by this Agreement.

4.17 Environmental Work. Notwithstanding Section 6.4, Seller agrees that it will commence promptly after execution of this Agreement, and diligently pursue beyond the Closing Date, if necessary, at its own expense, the environmental work with respect to the Real Property listed on Schedule 4.17 unless Seller determines on or prior to the Closing Date in its sole discretion that the cost of the remediation required as a result of the results of the samplings and soil borings referred to on the Schedule is material, in which case its sole option shall be to terminate this Agreement.

ARTICLE V
Conditions to Closing

5.1 Conditions to Each Party's Obligation to Close. The respective obligations of the Seller and the Purchaser to consummate the Purchase shall be subject to the satisfaction, at or prior to Closing, of each of the following conditions:

(a) The applicable waiting periods under the HSR Act and the GWB Act shall have expired, all authorizations, approvals, consents and waivers required to be obtained from, and notices and filings required to be given to or made with, any government or governmental agency in connection with the Purchase shall have been obtained, given or made, the Committee on Foreign Investment in the United States ("CFIUS") shall have determined not to investigate the transactions contemplated hereby under the Exon-Florio Amendment or it otherwise shall have provided assurances sufficient to satisfy the Purchaser, in its reasonable judgment, that the transactions contemplated hereby will not be so investigated under the Exon-Florio Amendment and the GWB Act.

(b) All third party authorizations, approvals, consents, waivers and notices required in connection with the Purchase shall have been obtained, given or made except for such authorizations, approvals, consents,

waivers and notices which, in the aggregate, will not have any significant adverse affect on the Business.

(c) No court or other governmental body or public authority of competent jurisdiction shall have issued an order which shall then be effective restraining or prohibiting the consummation of the Purchase.

(d) No action, suit, proceeding or investigation by or before any court, administrative agency or other governmental authority shall have been instituted (i) to restrain, prohibit or invalidate the transactions contemplated hereby, (ii) which seeks material or substantial damages by reason of completion of such transaction, or (iii) which will materially affect the right of the Purchaser to own, operate or control, after the Closing Date, the Business or any of the Purchased Assets.

(e) Affiliates of each of the Seller and the Purchaser shall have executed and delivered agreements containing mutually satisfactory terms and conditions (not inconsistent with the terms hereof) with respect to the sale of the capital stock of each of the Stock Subsidiaries, the sale of the Purchased Assets owned or held by the Asset Subsidiaries and the sale of the Joint Ventures to the appropriate affiliates of the Purchaser (including the payment of the portion of the Purchase Price allocable to the capital stock of the Stock Subsidiaries, Purchased Assets or Joint Venture by such Affiliate of the Purchaser). Without limiting the foregoing, the agreement governing the sale of the capital stock of Metco GmbH, (the "Metco GmbH Purchase Agreement") shall be independent of and separate from this Agreement; and the purchase price for the capital stock of Metco GmbH shall be separately stated in the Metco GmbH Agreement (the "Metco GmbH Purchase Price"); provided, however, the Purchase Price for the Purchased Assets provided for in this Agreement shall include the Metco GmbH Purchase Price and payment of the Purchase Price hereunder shall constitute payment of the Metco GmbH Purchase Price.

5.2 Conditions to Obligation of the Purchaser to Close. The obligation of the Purchaser to consummate the Purchase shall be subject to the satisfaction, at or prior to Closing, of each of the following conditions:

(a) The representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though restated and made at the Closing, except for changes specifically contemplated by this Agreement, and the Seller shall have delivered to the Purchaser a certificate to the foregoing effect, signed on behalf of the Seller by a duly authorized officer of the Seller and dated as of the Closing Date.

(b) The Seller shall have duly performed or complied in all material respects with all of the obligations to be performed or complied with by it under the terms of this Agreement on or prior to the Closing Date, and the Seller shall have delivered to the Purchaser a certificate to the foregoing effect, signed on behalf of the Seller by a duly authorized officer of the Seller and dated as of the Closing Date.

(c) The Purchaser shall have obtained the ALTA Owner's Policies of Title Insurance (1990) contemplated by Section 4.14 insuring title to the Owned Real Property without exceptions other than Permitted Encumbrances.

5.3 Conditions to Obligation of the Seller to Close. The obligation of the Seller to consummate the Purchase shall be subject to the satisfaction, at or prior to Closing, of each of the following conditions:

(a) The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though restated and made at the Closing, except for changes specifically contemplated by this Agreement, and the Purchaser shall have delivered to the Seller a certificate to the foregoing effect, signed on behalf of the Purchaser by a duly authorized officer of the Purchaser and dated as of the Closing Date.

(b) The Purchaser shall have duly performed or complied in all material respects with all of the obligations to be performed or complied with by it under the terms of this Agreement on or prior to the Closing Date, and the Purchaser shall have delivered to the Seller a certificate to the foregoing effect, signed on behalf of the Purchaser by a duly authorized officer of the Purchaser and dated as of the Closing Date.

(c) The Seller shall have conducted the sampling and soil borings required pursuant to Schedule 4.17 hereof, and shall have determined, in its sole discretion, that based on the nature and extent of contamination detected, the cost of such remediation is not material.

ARTICLE VI
Indemnity

6.1 Survival of Representations. Each representation and warranty of the Purchaser and the Seller made pursuant to this Agreement shall survive for a period of eighteen months following the Closing Date regardless of any investigation made at any time by or on behalf of either party, and thereafter neither party may make any claim for any breach of such representations and warranties. Notwithstanding the foregoing, the representations and warranties set forth in Sections 3.1(a),

3.1(b), 3.1(q), 3.2(a) and 3.2(b) shall survive in perpetuity and the representations and warranties set forth in Section 3.1(y) shall survive until the expiration of the statute of limitations with respect to the matters set forth therein. All statements contained in this Agreement or in any schedule, certificate, list or other writing or document delivered or provided pursuant to this Agreement shall constitute representations and warranties as such term is used in this Agreement. For purposes of indemnification claims pursuant to this Article VI, every representation and warranty made by either party shall be subject to every schedule, qualification and disclosure, and every amendment and supplement thereof, made with respect to such representation and warranty at any time on or prior to the Closing Date.

6.2 Indemnity by the Seller. Upon the terms and subject to the conditions of this Article VI, the Seller shall indemnify, defend and hold harmless the Purchaser and its affiliates and their respective directors, officers and employees (collectively, the "Indemnified Purchaser Group") from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, amounts paid in settlement, costs and expenses, including, without limitation, interest, penalties and attorneys', consultants and expert witness fees, disbursements and expenses (collectively, "Losses"), asserted against, resulting to, or imposed upon or incurred by any member of the Indemnified Purchaser Group directly or indirectly by reason of or resulting from:

(i) the untruth, inaccuracy, breach or nonfulfillment of any representation or warranty of the Seller contained in this Agreement;

(ii) the breach or nonperformance by the Seller of any covenant, commitment, undertaking or agreement contained in this Agreement or in any agreement or instrument delivered pursuant to this Agreement;

(iii) any Excluded Liability; provided that with respect to any Losses relating to any individual liability a portion of which is an Excluded Liability and the balance of which is an Assumed Liability (because the underlying liability is a Product Liability), the Seller shall be responsible for only that percentage of all Losses relating to such liability equal to the ratio of the amount of the Excluded Liability to the sum of the amounts of the Excluded Liability and the Assumed Liability, and the Purchaser shall be responsible for the balance of such Losses; and

(iv) any Unknown Liability; provided that the Seller shall be responsible for only

[material at this point has been omitted pursuant to a request for confidential treatment under

the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission] of the total amount of all Losses relating to any individual Unknown Liability and the Purchaser shall be responsible for the remaining [material at this point has been omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission] of such Losses and provided, further that the indemnity set forth in this clause (iv) shall terminate on the sixth anniversary of the Closing Date.

6.3 Indemnity by the Purchaser. Upon the terms and subject to the conditions of this Article VI, the Purchaser shall indemnify, defend and hold harmless the Seller and its affiliates and their respective directors, officers and employees (collectively, the "Indemnified Seller Group") from and against all Losses asserted against, resulting to, or imposed upon or incurred by any member of the Indemnified Seller Group directly or indirectly by reason of or resulting from:

(i) the untruth, inaccuracy, breach or nonfulfillment of any representation or warranty of the Purchaser contained in this Agreement;

(ii) the breach or nonperformance by the Purchaser of any covenant, commitment, undertaking or agreement contained in this Agreement or in any agreement or instrument delivered pursuant to this Agreement;

(iii) any Assumed Liability; provided that: (i) until the sixth anniversary of the Closing Date, the Purchaser shall be responsible for only [material at this point has been omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission] of the total amount of all Losses related to any individual Unknown Liability, and the Seller shall be responsible for the remaining [material at this point has been omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission] of such Losses; thereafter, the Purchaser shall be responsible for 100% of such Losses; and (ii) with respect to any Losses relating to any individual liability a portion of which is an Assumed Liability and the balance of which is an Excluded Liability (because the underlying liability is a Product Liability), the Purchaser shall be responsible for only that percentage of all Losses relating to such liability equal to the ratio of the amount of the Assumed Liability to the sum

of the amounts of the Assumed Liability and the Excluded Liability, and the Seller shall be responsible for the balance of such Losses;

(iv) any liability arising out of the operation of the Business by the Purchaser after the Closing or the use of the Purchased Assets by the Purchaser after the Closing, provided that the indemnity set forth in this clause (iv) shall not apply to Excluded Liabilities, Environmental Liabilities, Product Liabilities or Unknown Liabilities; and

(v) any liability arising with respect to the Purchaser's use of the "Perkin-Elmer" name pursuant to Section 4.9 hereof.

6.4 Environmental Indemnification. In addition to the parties' other obligations under this Article VI and subject to the provisions set forth below, the Seller and Purchaser agree to indemnify, defend and hold harmless each other from and against all Losses which may at any time during a period of fifteen years after the Closing Date be imposed upon, incurred by, or asserted or awarded against, the other based upon, arising out of or otherwise in respect of any Excluded Environmental Liabilities (in the case of the Seller as indemnitor) and any Assumed Environmental Liabilities (in the case of the Purchaser as indemnitor). For purposes of Section 6.4, Losses shall include, without limitation, the costs of any Remedial Action but shall exclude any costs incurred by Seller pursuant to the provisions of Section 4.17. The parties' obligations under this Section 6.4 shall expire on the fifteenth anniversary of the Closing Date and thereafter, all such Losses as described in this Section 6.4 shall be the sole obligation of the Purchaser. In the event of a conflict between this Section 6.4 and any of the other Sections of Article VI, this Section 6.4 shall control.

6.5 Procedures Relating to Environmental Indemnification. In addition to the parties' other obligations under this Article VI, the following provisions shall apply and in the event of a conflict or ambiguity between this Section 6.5 and other Sections of Article VI, this Section 6.5 shall control.

(a) The Seller and Purchaser agree, so long as they each comply with their obligations to indemnify pursuant to Section 6.4, to reasonably cooperate with each other in managing and controlling all actions, including, without limitation, the defense of Environmental Claims and the conduct of Remedial Actions, undertaken in connection with their obligations to indemnify pursuant to Section 6.4. In the event of an asserted Environmental Claim, Seller and Purchaser shall provide their own defense each at their own cost and expense unless other-

wise agreed by the parties.

(b) With respect to each condition requiring Remedial Action pursuant to Section 6.4, the Purchaser and Seller shall cooperate to undertake such Remedial Action as is reasonably necessary to achieve compliance with applicable Environmental Laws in effect on the Closing Date, including but not limited to, retaining an environmental professional that is acceptable to both Purchaser and Seller. Purchaser and Seller's obligations under this Section 6.5 shall expire upon the receipt of either (i) a written statement by a governmental body with jurisdiction over the condition to the effect that compliance with such applicable Environmental Laws has been achieved or no further action is required under such applicable Environmental Laws or (ii) a written statement of an environmental professional mutually acceptable to the Purchaser and the Seller to the same effect. In the event applicable Environmental Laws are amended or revised after the Closing Date, the Seller's obligations hereunder shall be limited to performance of Remedial Action only to the extent necessary to comply with applicable Environmental laws as in effect on the Closing Date and, in such case, the Seller shall deliver to the Purchaser a written opinion, addressed to the Purchaser, of an environmental professional that such compliance has been achieved or that no further action is required to comply with applicable Environmental Laws as in effect on the Closing Date.

(c) To the extent that the Purchaser or any affiliate is the occupant of the Real Property, the Purchaser will cooperate and will cause such affiliate to cooperate and, during normal business hours or at such other times as may be reasonably acceptable to the Purchaser, permit access to any entry upon the Real Property by the Seller as reasonably necessary to conduct any action in satisfaction of the Seller's obligations to indemnify pursuant to Section 6.5.

(d) The Purchaser and Seller shall promptly provide to each other copies of all scopes of work, final reports, correspondence with any governmental body and sampling data related to, or which result from, any Remedial Action at the Real Property and the Seller and Purchaser, as the case may be, shall each be given a reasonable opportunity to provide to the other written comments to such documents.

(e) As between the Purchaser and the Seller, the party providing indemnification pursuant to this Section 6.4 shall have no obligation to do so to the extent a written notice of claim has not been received on or before the fifteenth anniversary of the Closing Date.

6.6 Indemnification Procedure. The obliga-

tions and liabilities of the Seller and the Purchaser, as the case may be, pursuant to Sections 6.2, 6.3, 6.4 and 6.5, respectively (the indemnifying party being herein referred to as the "Indemnifying Party" and the indemnified group being referred to as the "Indemnified Group"), with respect to claims by third parties resulting in Losses that are subject to the indemnities in Sections 6.2, 6.3, 6.4, and 6.5 (individually, a "Third Party Claim" and collectively, "Third Party Claims") shall be subject to the following terms and procedures:

(i) The member of the Indemnified Group to whom such Third Party Claim relates will give the Indemnifying Party prompt notice of such Third Party Claim, and the Indemnifying Party will assume the defense thereof by representatives chosen by it; provided that the Indemnified Group or the member thereof against which such Third Party Claim has been asserted shall be entitled to participate in the defense of such Third Party Claim and to employ counsel at its own expense to assist in the handling of such Third Party Claim.

(ii) If the Indemnifying Party, within a reasonable time after notice of any such Third Party Claim, fails or elects not to assume the defense thereof, the Indemnified Group or the member thereof against which such Third Party Claim has been asserted shall have the right to undertake the defense, compromise or settlement of such Third Party Claim on behalf of and for the account and at the risk of the Indemnifying Party, subject to the right of the Indemnifying Party to assume the defense of such Third Party Claim at any time prior to the settlement, compromise or final determination thereof. Neither the Indemnifying Party nor the Indemnified Group shall settle or compromise any Third Party Claim without the prior consent of the other (which consent will not be unreasonably withheld).

(iii) For all purposes of this Section 6.6, in the case of any Third Party Claim asserting or alleging an Unknown Liability or a Product Liability (other than a Known Product Liability), the Purchaser shall be deemed the Indemnifying Party and the Seller group shall be deemed the Indemnified Group, whether such Third Party Claim is asserted against the Purchaser or the Seller but subject, however to the rights of any insurance carrier under the Seller's insurance policies. In such cases the party against whom the Third Party Claim is asserted shall notify the other, and the Purchaser shall assume the defense thereof by representatives chosen by it. All Losses resulting from any such Third Party Claim shall be borne equally by the Purchaser and the Seller in the same proportion as their respective responsibilities for the liability giving rise to the Third Party Claim bear to

one another notwithstanding whichever of them assumes the defense thereof. The party which assumes the defense of any such Third Party Claim shall be entitled to be reimbursed on a regular, periodic basis by the other party for the applicable percentage of the Losses incurred in connection with the defense of such Third Party Claim, as such Losses are incurred.

6.7 Limitations on Indemnification. Neither party hereto shall have any liability to the other in respect of any claim for indemnification of Losses pursuant to this Article VI for the breach of any representation or warranty contained herein until (and then only to the extent that) the Losses incurred by such Indemnified Group as a result of all such breaches of representations and warranties exceed an aggregate total of [material at this point has been omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission] and shall have no further obligation in respect of such Losses at such time as it shall have made aggregate payments equal to the amount of [material at this point has been omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission] million.

6.8 Indemnity Not Exclusive Remedy. Nothing contained in this Agreement shall prevent any party hereto from seeking and obtaining specific performance by the other party hereto of any of its obligations under this Agreement or from seeking and obtaining injunctive or other equitable relief against the other party's activities in breach of this Agreement or any other forms of relief or other remedies which may be available to it, either at law or in equity; provided, however, in the absence of actual or constructive fraud the exclusive remedy for breaches of representations and warranties set forth in this Agreement is indemnification provided for in Article VI.

ARTICLE VII
Termination

7.1 Termination. Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated only (a) by the mutual written consent of the parties to this Agreement, (b) by the Purchaser or the Seller if, for any reason (other than breach of this Agreement by the terminating party), the Closing has not occurred (or cannot occur) on or prior to August 31, 1994, (c) by the Seller pursuant to Section 4.17 hereof, or (d) by either party, on written notice to the other

party, upon material breach of any covenant, representation or warranty contained in this Agreement by the non-terminating party which has rendered the satisfaction of any condition to the obligations of the breaching party impossible and such violation or breach has not been waived by the terminating party; provided that the non-terminating party is first given notice of such breach and fails to remedy, or commit to remedying, such breach within ten (10) days after receipt of such notice.

7.2 Effect of Termination. If this Agreement is terminated pursuant to Section 7.1, this Agreement, other than with respect to the Purchaser's obligations under Section 4.4 and the Purchaser's and the Seller's obligations under Sections 4.8 and 8.1 hereof, shall thereafter have no effect, except that termination of this Agreement will not relieve either party of any liability for breach of any agreements hereunder occurring prior to such termination, provided that no supplement or amendment to any of the Schedules delivered by the Seller pursuant to Section 4.12 shall furnish a basis for liability of the Seller in the event that this Agreement is terminated.

ARTICLE VIII
Miscellaneous

8.1 Expenses. Except as otherwise specifically provided herein, each party hereto shall bear its own expenses incurred in connection with the preparation and execution of this Agreement and the consummation of the Purchase.

8.2 Public Communications. Except as may be required by applicable law or the rules of any applicable stock exchange, neither the Seller nor the Purchaser nor any of their respective affiliates shall issue any press release or other public communications relating to this Agreement or the Purchase without the prior written consent of the other party hereto. In the event that any such press release or other public communication shall be required, the party required to issue such release or communication shall consult in good faith with the other party hereto with respect to the form and substance of such release or communication prior to the public dissemination thereof.

8.3 Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be delivered personally or sent by telecopier or by a nationally recognized overnight courier, postage prepaid, and shall be deemed to have been duly given when so delivered personally or sent by telecopier, with receipt confirmed, or one (1) business day after the date of deposit with such nationally

recognized overnight courier. All such notices, requests, demands and other communications shall be addressed to the respective parties at the addresses set forth below, or to such other address or person as any party may designate by notice to the other party in accordance herewith:

If to the Seller: The Perkin-Elmer Corporation
761 Main Avenue
Norwalk, CT 06859-0313
Attn.: Corporate Secretary
Telecopier No.: (203) 761-5000

If to the Purchaser: Sulzer Inc.
200 Park Avenue
New York, NY 10166-0068
Attn: Chief Financial Officer
Telecopier No.: (212) 370-1138

8.4 Amendments; Waivers. This Agreement may not be changed orally and no waiver of compliance with any provision or condition hereof and no consent provided for herein shall be effective unless evidenced by an instrument in writing duly executed by the proper party. Either party may at any time waive compliance by the other party with any covenant or condition contained in this Agreement only by written instrument executed by the party waiving such compliance. No such waiver, however, shall be deemed to constitute the waiver of any such covenant or condition in any other circumstance or the waiver of any other covenant or condition.

8.5 Section Headings. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

8.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

8.7 Assignment. Except as provided in the following sentence, this Agreement may not be assigned prior to the Closing, by operation of law or otherwise, and any attempt to do so shall be void. The Purchaser may assign its rights under this Agreement in whole or in part to an affiliate or a wholly-owned subsidiary of the Purchaser; provided, however, that in such event, the Purchaser shall remain fully liable for the fulfillment of all of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of successors and assigns of the parties hereto. No assignment by any party of any obligations under this Agreement shall release the

assignor from such obligations without the written consent of the other party hereto.

8.8 Bulk Sales. The parties hereto agree to waive compliance with any bulk sales laws adopted by each of the jurisdictions in which Purchased Assets are located to the extent, if any, that such laws are applicable to the Purchase. The Seller shall indemnify and hold harmless the Purchaser against any and all liabilities which may be asserted by third parties against the Purchaser as a result of noncompliance with any such bulk sales laws.

8.9 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York.

8.10 Jurisdiction. The Purchaser and the Seller hereby agree that any legal action or proceeding by either of them against the other arising out of or based upon this Agreement, the agreements, instruments and other documents delivered in connection herewith, or the transactions contemplated hereby or thereby, shall be brought in the courts of the State of New York or the United States of America sitting in the State of New York, and, by execution and delivery of this Agreement, the Purchaser and the Seller accept and consent, generally and unconditionally, to the jurisdiction of such courts and agree that such jurisdiction shall be exclusive, unless waived by both the Purchaser and the Seller in writing. The Purchaser and the Seller irrevocably consent to the service of process in any action or proceeding in such courts by any means legally permissible, including, without limitation, by the mailing of such process, postage prepaid, to either of them at the addresses set forth in this Agreement, such service by mail to become effective upon the earlier of (a) receipt of said mailing or (b) any earlier date permitted by applicable law. The Purchaser and the Seller hereby waive any right to stay or to dismiss any action or proceeding brought before said courts on the basis of forum non conveniens.

8.11 Miscellaneous. This Agreement (a) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; provided, however, that the Confidentiality Agreement shall remain in full force and effect except as provided in Section 4.8 hereof; and (b) is not intended to confer upon any other persons any rights or remedies hereunder, and (c) is intended solely and exclusively for the benefit of the Seller and the Purchaser, and their permitted successors and assigns, respectively, and not for the benefit of any third party. In case any provision in this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability

of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

THE PERKIN-ELMER CORPORATION

By /s/ Riccardo Pigliucci
Name: Riccardo Pigliucci
Title: President & C.O.O.

SULZER INC.

By /s/ Philip T. Hauser
Name: Philip T. Hauser
Title: Executive Vice President

By /s/ Urs Scherrer
Name: Urs Scherrer
Attorney-in-Fact

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SULZER INC.
200 PARK AVENUE
NEW YORK, NY 10166-0068
Tel. (212) 949-0999
Fax: (212) 370-1138

August 31, 1994

Mr. Gaynor Kelley
Chairman and CEO
The Perkin-Elmer Corporation
Norwalk, Connecticut

Dear Mr. Kelley,

This will confirm our understanding with respect to the closing of the sale of the Metco Division of The Perkin-Elmer Corporation ("Perkin-Elmer") to Sulzer Inc. ("Sulzer").

[Material at this point has been omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission] the purchase price payable by Sulzer for the Metco Division to the net book value of the assets of the Division at closing, plus [material at this point has been omitted pursuant to a request for confidential treatment under the Freedom of Information Act and has been filed separately with the Securities and Exchange Commission]. The net book value of the assets will continue to be determined in accordance with the terms set forth in the Purchase Agreement dated as of April 18, 1994, as the same may be amended (the "Purchase Agreement"). In addition, Perkin-Elmer will indemnify Sulzer for certain losses incurred by Sulzer as a result of compliance with the proposed consent order of the Federal Trade Commission (the "FTC") in its present form (the "Consent Order"), as provided hereunder. Perkin-Elmer will also use its best efforts to close the sale at the earliest possible date.

On the seventh anniversary of the closing of this transaction Sulzer, at its option, may request to meet with Perkin-Elmer to review with Perkin-Elmer Sulzer's calculation of legitimate damages it believes it incurred solely as a result of the entry in the market of the new supplier contemplated by the FTC Consent Order. Perkin-Elmer will meet with Sulzer at that time, review the data provided and reimburse Sulzer for legitimate damages that Sulzer demonstrates were incurred by it solely as a result of the entry in the market of the new supplier contemplated by the FTC Consent Order; however, in no event shall the reimbursement to Sulzer for damages in this connection exceed $5 mio.

In consideration of this agreement by Perkin-Elmer, Sulzer will:

1. Immediately sign and deliver to the FTC the Consent Order, together with the proposed affidavit of Sumitomo Chemical Company Limited in its present form. Subject to the foregoing, Sulzer will also use its best efforts to take all steps necessary with respect to the FTC to ensure prompt and satisfactory closing of the transaction and to comply with the terms of the Consent Order.

2. Use its best efforts to close the sale at the earliest possible date, including using its best efforts to resolve any outstanding issues (including employee issues) related to the purchase and sale of assets or stock outside of the United States.

3. Waive any and all conditions to closing based upon: (a) any changes to the Schedules to the Purchase Agreement from the date of the Purchase Agreement to the date of closing which are not, in the aggregate, material to the financial condition of the Metco Division; (b) the failure to receive any required governmental or other approvals, other than the final approval of the German Cartel Office under German antitrust law and the FTC; or (c) any alleged deterioration of the Metco business generally.

4. Make no further claims (a) from and after the date of the Final Statement contemplated by the Purchase Agreement and determined in accordance with Section 2.4(b) thereof, based on accounting methods and financial issues related to any item or matter included or reflected on or the subject of the Final Statement, and (b) at any time either before or after the closing, based on or related to any alleged deterioration of the business of Metco, or losses or reduced profits allegedly based upon the signing

or enforcement of the Consent Order (other than pursuant to the indemnification referred to above).

In furtherance of the foregoing, Perkin-Elmer and Sulzer agree that the representations and warranties of Perkin-Elmer set forth in Section 3.1(g)(i) shall not survive the closing and the representations and warranties of Perkin-Elmer set forth in Sections 3.1(t) and 3.1(u) shall survive only until the determination of the Final Statement in accordance with Section 2.4(b) of the Purchase Agreement. All other representations and warranties shall survive for the applicable period set forth in Section 6.1 of the Purchase Agreement.

The "drop dead" date set forth in Section 7.1(b) of the Purchase Agreement is hereby extended from August 31, 1994 to September 30, 1994.

This letter shall have no further effect and neither Perkin-Elmer nor Sulzer shall have any further obligations hereunder if the FTC shall fail to accept the Consent Order and affidavit contemplated by paragraph 1 of this letter.

If you are willing to proceed on the basis set forth above, please sign and return one copy of this letter to us.

Very truly yours,

Sulzer Inc.

By: /s/ Fritz Fahrni /s/ Roman Beran
Fritz Fahrni Roman Beran

Accepted and Agreed to this 31st day of August, 1994

The Perkin-Elmer Corporation

By: /s/ Gaynor N. Kelley

RESTATED CERTIFICATE OF INCORPORATION

OF

THE PERKIN-ELMER CORPORATION

UNDER SECTION 807 OF THE BUSINESS CORPORATION LAW

We, the undersigned, Gaynor N. Kelley and William B. Sawch, being the duly elected and acting Chairman of the Board and Secretary, respectively, of The Perkin-Elmer Corporation, do hereby certify that:

1. The name of the corporation is The Perkin-Elmer Corporation (the "Corporation").

2. The Certificate of Incorporation of the Corporation was filed by the Department of State on December 13, 1939.

3. The Certificate of Incorporation of the Corporation, as heretofore amended and restated, is amended to effect a change authorized by Section 801 of the Business Corporation Law of the State of New York; namely, to amend Article THIRD thereof to increase the total number of shares of Common Stock, par value $1.00 per share, which the Corporation is authorized to issue from sixty million (60,000,000) to ninety million (90,000,000).

4. To effect the foregoing amendment and to integrate such amendment into a Restated Certificate of

Incorporation of the Corporation, the text of the Certificate of Incorporation of the Corporation is hereby restated to read in its entirety as follows:

FIRST: The name of the corporation is THE PERKIN-ELMER CORPORATION.

SECOND: The purposes for which the Corporation is formed are:

(a) To design, invent, develop, manufacture, produce, purchase, lease or otherwise acquire, use, exploit, process, fabricate, rebuild, service, transport, sell, market at wholesale or retail or otherwise dispose of, import, export, lease, distribute, provide and deal in and with, whether as principal or agent, or through franchised dealers, distributors or otherwise, optical, electrical, electro-optical, mechanical, electro-mechanical, electronic, astronomical, astrological, astronavigational, general purpose digital computer, data communications, electronic processing, information handling, industrial or commercial thermal, electric arc, plasma flame or other, spraying, coating, scientific, analytical, precision, laboratory, industrial, commercial, educational, process control and instructional systems, instruments, products, apparatus, equipment and devices, including components, peripherals, interfaces, parts, accessories, supplies, machinery, tools, equipment, wares, merchandise, materials, equipment and goods, of every kind and description, in any way, in whole

or in part, related or incidental thereto.

(b) To undertake, conduct, assign, promote and engage in research, exploration, laboratory design and developmental work or studies for its own account, as a consultant or otherwise, in connection with or related to any of the businesses of the Corporation.

(c) To design, invent, develop, manufacture, produce, purchase, lease or otherwise acquire, use, exploit, process, fabricate, rebuild, service, transport, sell, market at wholesale or retail or otherwise dispose of, import, export, lease, distribute, provide and deal in and with, whether as principal or agent, or through franchised dealers, distributors, or otherwise, raw materials, products, goods, wares, merchandise, materials and other personal property, tangible or intangible, and rights, interests or privileges therein of every kind and description, wheresoever situated.

(d) To acquire by purchase, exchange, lease, devise or otherwise, and to hold, own, operate, maintain, manage, improve, develop, and exploit, and to sell, transfer, convey, lease, mortgage, exchange or otherwise deal with or dispose of, real property, improved and unimproved, wheresoever situated, and any rights, interests or privileges therein.

(e) To provide services of every kind and nature in

connection with or related or incidental to the businesses of the Corporation.

(f) To acquire by purchase, exchange, or otherwise, all or any part of, or any interest in, the properties, assets, rights, business and goodwill of any person, firm, association or corporation heretofore or hereafter engaged in any business for which a corporation may now or hereafter be organized under the Business Corporation Law of the State of New York, or under any act amendatory thereof, supplemental thereto or substituted therefor; to pay for the same in cash, property or its own or other securities; to hold, operate, lease, reorganize, liquidate, sell or in any manner dispose of the whole or any part thereof; in connection therewith to assume or guarantee performance of any of the liabilities, obligations or contracts of such persons, firms, associations or corporations; and after such acquisition to operate the properties, assets and rights so acquired and to conduct the whole or any part of the business so acquired.

(g) To acquire by purchase, subscription or otherwise, and to invest in, receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, scrip, warrants, rights, bonds, debentures, notes, trust receipts, and other

securities, obligations, choses in action and evidences of indebtedness or interest issued or created by any corporation, joint stock companies, partnerships, firms, syndicates, associations, firms, trusts or persons, public or private, or by the government of the United States of America, or by any foreign government, or by any state, territory, province, municipality or other political subdivision or by any governmental agency, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

(h) To such an extent as a corporation organized under the laws of the State of New York may now or hereafter lawfully do, to do, either as principal or agent and either alone or in connection with other corporations, firms or individuals, all and everything necessary, suitable, convenient or proper for, or in connection with, or incident to the accomplishment of any of the purposes or the attainment of any one or more of the objects enumerated herein, or in Section 202 of the Business Corporation Law of New York (which shall be considered both as purposes and powers), or designed directly or indirectly to promote the interests of the Corporation or to enhance the value of its

properties; and in general carry on any business in connection therewith and incident thereto not forbidden by the laws of the State of New York and use all the powers conferred upon corporations by the laws of the State of New York.

THIRD: The total number of shares which may be issued by the Corporation is ninety million (90,000,000) shares of Common Stock, all of which shall have a par value of one dollar ($1.00) per share, and one million (1,000,000) shares of Preferred Stock, all of which shall have a par value of one dollar ($1.00) per share.

The Preferred Stock shall be issued in one or more series. The Board of Directors is hereby expressly authorized to issue the shares of Preferred Stock in such series, and to fix from time to time before issuance the number of shares to be included in any series and the designation, relative rights, preferences and limitations of all shares of such series. The authority of the Board of Directors with respect to each series shall include without limitation thereto, the determination of all of the following, and the shares of each series may vary from the shares of any other series in any or all of the following respects:

(1) The number of shares constituting such series, and the designation thereof to distinguish the shares of such series from the shares of all other series;

(2) The annual dividend rate on the shares of such series, whether such dividends are payable in installments and whether such dividends shall be cumulative and, if cumulative, the date from which such dividends shall accumulate;

(3) The preference, if any, of the shares of such series in the event of any voluntary or involuntary liquidation or dissolution of the Corporation;

(4) The voting rights, if any, of the shares of such series, in addition to the voting rights prescribed by law, and the terms and conditions of exercise of any such voting rights;

(5) The redemption price or prices, if any, of the shares of such series and the terms and conditions of any such redemption;

(6) The right, if any, of the shares of such series to be converted into shares of any other series or class, and the terms and conditions of any such conversion; and

(7) Any other relative rights, preferences and limitations of the shares of such series.

FOURTH: No holder of any shares of stock of any class of the Corporation shall as such holder have any preemptive right to purchase any shares or securities of any class which at any time may be sold or offered for sale by the Corporation.

FIFTH: The office of the Corporation shall be located in the Borough of Manhattan, City of New York, County of New York, State of New York; and the Secretary of State shall mail a copy of process in any action or proceeding against the Corporation which may be served upon him to CT Corporation System, 1633 Broadway, New York, New York 10019.

SIXTH: The duration of the Corporation shall be perpetual.

SEVENTH: The number of directors shall be not less than three and not more than fifteen. The directors need not be stockholders.

EIGHTH: The Corporation may issue and sell its authorized shares for such consideration (but not less than the par value thereof) as from time to time may be fixed by the Board of Directors.

NINTH: CT Corporation System, 1633 Broadway, New York, New York 10019 is hereby designated as the registered agent of the Corporation upon whom process in any action or proceeding against it may be served.

TENTH: (a) Notwithstanding any other provisions of this Certificate of Incorporation or the By-laws of the Corporation, no transaction between the Corporation and any Controlling Person (as hereinafter defined) shall be valid nor shall any such transaction be consummated unless (i) such transaction is expressly approved by at least a vote of

the Disinterested Directors (as hereinafter defined) who at the time constitute at least a majority of the entire Board of Directors of the Corporation, or (ii) such transaction is approved by the affirmative vote of not less than two-thirds of the voting power of the shares of each class of the Corporation's capital stock entitled to vote thereon held by Disinterested Shareholders (as hereinafter defined), or (iii) if such transaction would result in payment of cash or other property to the shareholders of the Corporation, such transaction is consummated and provides for the payment to each of the shareholders other than such Controlling Person upon the consummation thereof, in exchange for all the shares of the Corporation's capital stock held by each of such shareholders, consideration which, as to both amount and kind, is equal to or greater than the highest per share price actually paid by or for the account of such Controlling Person for the same class of shares of capital stock held by each of such shareholders during both the two-year period prior to the time any such Controlling Person became such and the two-year period prior to the consummation of such transaction.

(b) For purposes of this Article TENTH: (i) the term "Controlling Person" means any individual, corporation, partnership, trust, association or other organization or entity (including any group formed for the purpose of

acquiring, voting or holding securities of the Corporation) which either directly, or indirectly through one or more intermediaries, owns, beneficially or of record, or controls by agreement, voting trust or otherwise, at least 1% of the voting power of any class of capital stock of the Corporation, and such term also includes any corporation, partnership, trust, association, or other organization or entity in which one or more Controlling Persons have the power, through the ownership of voting securities, by contract, or otherwise, to influence significantly any of the management, activities or policies of such corporation, partnership, trust, association or other organization or entity; (ii) the term "Disinterested Director" means a director (excluding any director who is a Controlling Person) who was either a member of the Board of Directors of the Corporation prior to the time such Controlling Person became a Controlling Person or who subsequently became a director of the Corporation and whose election, or nomination for election, was approved by the vote of at least a majority of the Disinterested Directors of the Corporation voting on such nomination or election; and (iii) the term "Disinterested Shareholders" means those holders of the Corporation's capital stock entitled to vote on the transaction, none of which is a Controlling Person.

(c) The provisions of this Article TENTH shall not be amended without the affirmative vote of not less than

two-thirds of the voting power of the shares of each class of the capital stock of the Corporation entitled to vote thereon; provided, however, that if, at the time of such vote, there shall be one or more Controlling Persons, either (i) such affirmative vote shall include the affirmative vote in favor of such amendment of not less than two-thirds of the voting power of the shares of each class of the Corporation's capital stock entitled to vote thereon held by Disinterested Shareholders, or (ii) such amendment shall have been approved by at least a majority vote of Disinterested Directors who at the time constitute at least a majority of the entire Board of Directors of the Corporation.

(d) The provisions of this Article TENTH shall be in addition to any other provisions of the New York Business Corporation Law or this Certificate of Incorporation or the By-laws of the Corporation, each as amended from time to time, applicable to the authorization and consummation by the Corporation of any transaction or amendment contemplated by this Article TENTH.

ELEVENTH: The Corporation is subject to the following restrictions:

a. Except as otherwise provided in this Article ELEVENTH, no purchase by the Corporation from any Controlling Person (as hereinafter defined) of shares of any

stock of the Corporation owned by such Controlling Person shall be made at a price exceeding the average price paid by such Controlling Person for all shares of stock of the Corporation acquired by such Controlling Person during the two-year period preceding the date of such proposed purchase unless such purchase is approved by the affirmative vote of not less than a majority of the voting power of the shares of stock of the Corporation entitled to vote held by Disinterested Shareholders (as hereinafter defined).

b. The provisions of this Article ELEVENTH shall not apply to (i) any offer to purchase made by the Corporation which is made on the same terms and conditions to the holders of all shares of stock of the Corporation, (ii) any purchase by the Corporation of shares owned by a Controlling Person occurring after the end of two years following the date of the last acquisition by such Controlling Person of stock of the Corporation, (iii) any transaction which may be deemed to be a purchase by the Corporation of shares of its stock which is made in accordance with the terms of any stock option or other employee benefit plan now or hereafter maintained by the Corporation, or (iv) any purchase by the Corporation of shares of its stock at prevailing market prices pursuant to a stock repurchase program.

c. Notwithstanding any other provision to the contrary, the provisions of this Article ELEVENTH shall not

be amended without the affirmative vote of not less than a majority of the stock of the Corporation entitled to vote thereon; provided, however, that if, at the time of the such vote, there shall be one or more Controlling Persons, such affirmative vote shall include the affirmative vote in favor of such amendment of not less than a majority of the voting power of the shares of stock of the Corporation entitled to vote thereon held by Disinterested Shareholders.

d. For purposes of this Article ELEVENTH: (i) the term "Controlling Person" means any individual, corporation, partnership, trust, association or other organization or entity (including any group formed for the purpose of acquiring, voting or holding securities of the Corporation) which either directly, or indirectly through one or more intermediaries, owns, beneficially or of record, or controls by agreement, voting trust or otherwise, at least 1% of the voting power of the stock of the Corporation, and such term also includes any corporation, partnership, trust, association or other organization or entity in which one or more Controlling Persons have the power, through the ownership of voting securities, by contract, or otherwise, to influence significantly any of the management, activities or policies of such corporation, partnership, trust, association, other organization or entity and (ii) the term "Disinterested Shareholders" means

those holders of the stock of the Corporation entitled to vote on any matter, none of which is a Controlling Person.

5. The restatement of, and amendment to, the Certificate of Incorporation of the Corporation were authorized in accordance with Sections 807 and 803(a) of the Business Corporation Law of the State of New York by resolutions of the Board of Directors of the Corporation duly adopted on July 15, 1993, and by votes cast, in person or by proxy, by the holders of a majority of all outstanding shares entitled to vote thereon at the Annual Meeting of Shareholders of the Corporation held on October 21, 1993.

IN WITNESS WHEREOF, we have executed this Certificate this 21st day of October, 1993, and we affirm the statements contained herein as true under penalties of perjury.

/s/ Gaynor N. Kelley
Gaynor N. Kelley
Chairman of the Board

/s/ William B. Sawch
William B. Sawch
Secretary

CERTIFICATE OF MERGER

OF

APPLIED BIOSYSTEMS, INC.

INTO

THE PERKIN-ELMER CORPORATION

UNDER SECTION 905 OF THE BUSINESS CORPORATION LAW

We, the undersigned, Gaynor N. Kelley and William B. Sawch, being respectively the Chairman of the Board and Secretary of The Perkin-Elmer Corporation, pursuant to the provisions of Section 905 of the Business Corporation Law of the State of New York, do hereby certify as follows:

1. The Perkin-Elmer Corporation, a corporation organized under the laws of the State of New York ("Perkin-Elmer"), owns all of the issued and outstanding shares of capital stock of Applied Biosystems, Inc., a corporation organized under the laws of the State of California ("Applied Biosystems").

2. The authorized capital stock of Applied Biosystems consists of 1,000 shares of common stock, no par value, all of which are issued and outstanding and owned by Perkin-Elmer.

3. (a) The Certificate of Incorporation of Perkin-Elmer was filed by the New York Department of State on December 13, 1939.

(b) The Certificate of Incorporation of Applied Biosystems was filed by the Secretary of State of the State

of California on September 18, 1980, and its application for authority to do business in the State of New York was filed by the New York Department of State on September 13, 1983.

(c) The merger is permitted by the provisions of the General Corporation Law of the State of California and is in compliance therewith.

4. The surviving corporation owns all of the outstanding shares of capital stock of the corporation to be merged.

5. This effective date of the merger shall be July 1, 1994.

6. The Plan of Merger was duly adopted by the Board of Directors of Perkin-Elmer on June 16, 1994.

IN WITNESS WHEREOF, this Certificate has been executed this 17th day of June, 1994 and the statements contained therein are affirmed as true under penalties of perjury.

THE PERKIN-ELMER CORPORATION

By: /s/ Gaynor N. Kelley
Gaynor N. Kelley
Chairman of the Board

By: /s/ William B. Sawch
William B. Sawch
Secretary

[CONFORMED COPY]

$100,000,000

THREE-YEAR
CREDIT AGREEMENT

dated as of

June 1, 1994

among

THE PERKIN-ELMER CORPORATION

The Banks Listed Herein

and

Morgan Guaranty Trust Company of New York,
as Agent

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THREE-YEAR CREDIT AGREEMENT

AGREEMENT dated as of June 1, 1994 among THE

PERKIN-ELMER CORPORATION, the BANKS listed on the signature pages hereof and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The following terms, as used herein, have the following meanings:

"Absolute Rate Auction" means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.03.

"Adjusted CD Rate" has the meaning set forth in Section 2.07(b).

"Adjusted London Interbank Offered Rate" has the meaning set forth in Section 2.07(c).

"Administrative Questionnaire" means, with respect to each Bank, an administrative questionnaire in the form prepared by the Agent and submitted to the Agent (with a copy to the Borrower) duly completed by such Bank.

"Agent" means Morgan Guaranty Trust Company of New York in its capacity as agent for the Banks hereunder, and its successors in such capacity.

"Applicable Lending Office" means, with respect to any Bank, (i) in the case of its Domestic Loans, its Domestic Lending Office, (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office and (iii) in the case of its Money Market Loans, its Money Market Lending Office.

"Assessment Rate" has the meaning set forth in Section 2.07(b).

"Assignee" has the meaning set forth in Section 9.06(c).

"Bank" means each bank listed on the signature pages hereof, each Assignee which becomes a Bank pursuant to Section 9.06(c), and their respective successors.

"Base Rate" means, for any day, a rate per annum

equal to the higher of (i) the Prime Rate for such day and (ii) the sum of 1/2 of 1% plus the Federal Funds Rate for such day.

"Base Rate Loan" means a Committed Loan to be made by a Bank as a Base Rate Loan in accordance with the applicable Notice of Committed Borrowing or pursuant to Article VIII.

"Benefit Arrangement" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Borrower" means The Perkin-Elmer Corporation, a New York corporation, and its successors.

"Borrower's 1993 Form 10-K" means the Borrower's annual report on Form 10-K for the transition period from August 1, 1992 through June 30, 1993, as filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

"Borrower's Latest Form 10-Q" means the Borrower's quarterly report on Form 10-Q for the quarter ended March 31, 1994 as filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

"Borrowing" has the meaning set forth in Section 1.03.

"CD Base Rate" has the meaning set forth in Section 2.07(b).

"CD Loan" means a Committed Loan to be made by a Bank as a CD Loan in accordance with the applicable Notice of Committed Borrowing.

"CD Margin" has the meaning set forth in Section 2.07(b).

"CD Reference Banks" means Citibank, N.A., Credit Suisse and Morgan Guaranty Trust Company of New York.

"Commitment" means, with respect to each Bank, the amount set forth opposite the name of such Bank on the signature pages hereof, as such amount may be reduced from time to time pursuant to Sections 2.09 and 2.10.

"Committed Loan" means a loan made by a Bank

pursuant to Section 2.01.

"Consolidated EBIT" means, for any period, the sum (without duplication) of (i) the net operating income of the Borrower for such period plus (ii) interest income of the Borrower for such period, determined in each case on a consolidated basis for the Borrower and its Consolidated Subsidiaries.

"Consolidated Interest Expense" means, for any period, the Interest Expense of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis for such period.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Borrower in its consolidated financial statements if such statements were prepared as of such date.

"Consolidated Net Worth" means at any date the consolidated stockholders' equity of the Borrower and its Consolidated Subsidiaries, determined as of such date.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles, (v) all non-contingent obligations (and, for purposes of Section 5.08 and the definitions of Material Debt and Material Financial Obligations, all contingent obligations) of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, (vi) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is otherwise an obligation of such Person, and (vii) all Debt of others Guaranteed by such Person.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Derivatives Obligations" of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity

swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

"Domestic Lending Office" means, as to each Bank, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Agent; provided that any Bank may so designate separate Domestic Lending Offices for its Base Rate Loans, on the one hand, and its CD Loans, on the other hand, in which case all references herein to the Domestic Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Domestic Loans" means CD Loans or Base Rate Loans or both.

"Domestic Reserve Percentage" has the meaning set forth in Section 2.07(b).

"Effective Date" means the date this Agreement becomes effective in accordance with Section 3.01.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to the environment, the effect of the environment on human health or to emissions, discharges or releases of pollutants, contaminants, Hazardous Substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, Hazardous Substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means the Borrower, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

"Euro-Dollar Lending Office" means, as to each Bank, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Agent.

"Euro-Dollar Loan" means a Committed Loan to be made by a Bank as a Euro-Dollar Loan in accordance with the applicable Notice of Committed Borrowing.

"Euro-Dollar Margin" has the meaning set forth in Section 2.07(c).

"Euro-Dollar Reference Banks" means the principal London offices of Citibank, N.A., Credit Suisse and Morgan Guaranty Trust Company of New York.

"Euro-Dollar Reserve Percentage" has the meaning set forth in Section 2.07(c).

"Event of Default" has the meaning set forth in Section 6.01.

"Existing Credit Agreement" means the Credit Agreement dated as of June 7, 1991 among the Borrower, the lenders parties thereto and Bankers Trust Company, as agent, as amended to the Effective Date.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on

such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, provided that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Morgan Guaranty Trust Company of New York on such day on such transactions as determined by the Agent.

"Fixed Rate Loans" means CD Loans or Euro-Dollar Loans or Money Market Loans (excluding Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.01(a)) or any combination of the foregoing.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the holder of such Debt of the payment thereof or to protect such holder against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Hazardous Substances" means any toxic, radioactive, caustic or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics.

"Indemnitee" has the meaning set forth in Section 9.03(b).

"Interest Coverage Ratio" means, for any period, the ratio of Consolidated EBIT for such period to Consolidated Interest Expense for such period.

"Interest Expense" means, with respect to any Person, for any period, the sum, for such Person and its

Consolidated Subsidiaries determined on a consolidated basis (without duplication), of all interest on Debt and Derivatives Obligations (including, without limitation, imputed interest on capital lease obligations).

"Interest Period" means: (1) with respect to each Euro-Dollar Borrowing, the period commencing on the date of such Borrowing and ending one, two, three or six months thereafter, as the Borrower may elect in the applicable Notice of Borrowing; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall, subject to clause (c) below, be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(2) with respect to each CD Borrowing, the period commencing on the date of such Borrowing and ending 30, 60, 90 or 180 days thereafter, as the Borrower may elect in the applicable Notice of Borrowing; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall, subject to clause (b) below, be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(3) with respect to each Base Rate Borrowing, the period commencing on the date of such Borrowing and ending 30 days thereafter; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall, subject to clause (b) below, be extended to the next

succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(4) with respect to each Money Market LIBOR Borrowing, the period commencing on the date of such Borrowing and ending such whole number of months thereafter as the Borrower may elect in accordance with Section 2.03; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall, subject to clause (c) below, be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(5) with respect to each Money Market Absolute Rate Borrowing, the period commencing on the date of such Borrowing and ending such number of days thereafter (but not less than 14 days) as the Borrower may elect in accordance with Section 2.03; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall, subject to clause (b) below, be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Leverage Ratio" means, at any date, the ratio of Total Borrowed Funds at such date to Total Capitalization at such date.

"LIBOR Auction" means a solicitation of Money Market Quotes setting forth Money Market Margins based on the London Interbank Offered Rate pursuant to Section 2.03.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such asset. For the purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" means a Domestic Loan or a Euro-Dollar Loan or a Money Market Loan and "Loans" means Domestic Loans or Euro-Dollar Loans or Money Market Loans or any combination of the foregoing.

"London Interbank Offered Rate" has the meaning set forth in Section 2.07(c).

"Material Debt" means Debt (other than the Notes) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal or face amount exceeding $15,000,000.

"Material Financial Obligations" means (i) Material Debt or (ii) net payment obligations in respect of Derivatives Obligations of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate amount exceeding $25,000,000.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of $5,000,000.

"Money Market Absolute Rate" has the meaning set forth in Section 2.03(d).

"Money Market Absolute Rate Loan" means a loan to be made by a Bank pursuant to an Absolute Rate Auction.

"Money Market Lending Office" means, as to each Bank, its Domestic Lending Office or such other office, branch or affiliate of such Bank as it may hereafter designate as its Money Market Lending Office by notice to the Borrower and the Agent; provided that any Bank may from

time to time by notice to the Borrower and the Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Money Market LIBOR Loan" means a loan to be made by a Bank pursuant to a LIBOR Auction (including such a loan bearing interest at the Base Rate pursuant to Section 8.01(a)).

"Money Market Loan" means a Money Market LIBOR Loan or a Money Market Absolute Rate Loan.

"Money Market Margin" has the meaning set forth in Section 2.03(d).

"Money Market Quote" means an offer by a Bank to make a Money Market Loan in accordance with Section 2.03.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Notes" means promissory notes of the Borrower, substantially in the form of Exhibit A hereto, evidencing the obligation of the Borrower to repay the Loans, and "Note" means any one of such promissory notes issued hereunder.

"Notice of Borrowing" means a Notice of Committed Borrowing (as defined in Section 2.02) or a Notice of Money Market Borrowing (as defined in Section 2.03(f)).

"Parent" means, with respect to any Bank, any Person controlling such Bank.

"Participant" has the meaning set forth in Section 9.06(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Pricing Schedule" means the Schedule attached hereto identified as such.

"Prime Rate" means the rate of interest publicly announced by Morgan Guaranty Trust Company of New York in New York City from time to time as its Prime Rate.

"Reference Banks" means the CD Reference Banks or the Euro-Dollar Reference Banks, as the context may require, and "Reference Bank" means any one of such Reference Banks.

"Refunding Borrowing" means a Committed Borrowing which, after application of the proceeds thereof, results in no net increase in the outstanding principal amount of Committed Loans made by any Bank.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Required Banks" means at any time Banks having at least 66 2/3% of the aggregate amount of the Commitments or, if the Commitments shall have been terminated, holding Notes evidencing at least 66 2/3% of the aggregate unpaid principal amount of the Loans.

"Revolving Credit Period" means the period from and including the Effective Date to but excluding the Termination Date.

"Significant Subsidiary" has the meaning set forth in Regulation S-X promulgated by the Securities and Exchange Commission, as in effect on the date hereof.

"Subsidiary" means, as to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person; unless otherwise specified, "Subsidiary" means a Subsidiary of the Borrower.

"Termination Date" means May 30, 1997, or, if such day is not a Euro-Dollar Business Day, the next preceding Euro-Dollar Business Day.

"Total Borrowed Funds" means, at any date, the aggregate amount which would appear under the captions "Loans Payable" and "Long-Term Debt" on a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries prepared in accordance with generally accepted accounting principles as of such date.

"Total Capitalization" means, at any date, the sum of Total Borrowed Funds at such date plus Consolidated Net Worth at such date.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the value of all benefit liabilities under such Plan, determined on a plan termination basis using the assumptions prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds (ii) the fair market value of all Plan assets allocable to such liabilities under Title IV of ERISA (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

"United States" means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

SECTION 1.02. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to

the Banks; provided that, if the Borrower notifies the Agent that the Borrower wishes to amend any covenant in Article V to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the Agent notifies the Borrower that the Required Banks wish to amend Article V for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Banks.

SECTION 1.03. Types of Borrowings. The term "Borrowing" denotes the aggregation of Loans of one or more Banks to be made to the Borrower pursuant to Article II on a single date and for a single Interest Period. Borrowings are classified for purposes of this Agreement either by reference to the pricing of Loans comprising such Borrowing (e.g., a "Euro-Dollar Borrowing" is a Borrowing comprised of Euro-Dollar Loans) or by reference to the provisions of Article II under which participation therein is determined (i.e., a "Committed Borrowing" is a Borrowing under Section 2.01 in which all Banks participate in proportion to their Commitments, while a "Money Market Borrowing" is a Borrowing under Section 2.03 in which the Bank participants are determined on the basis of their bids in accordance therewith).

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments to Lend. During the Revolving Credit Period each Bank severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this Section from time to time in amounts such that the aggregate principal amount of Committed Loans by such Bank at any one time outstanding shall not exceed the amount of its Commitment. Each Borrowing under this Section shall be in an aggregate principal amount of $10,000,000 or any larger multiple of $1,000,000 (except that any such Borrowing may be in the aggregate amount available in accordance with Section 3.02(b)) and shall be made from the several Banks ratably in proportion to their respective Commitments. Within the foregoing limits, the Borrower may borrow under this Section, repay, or to the extent permitted by Section 2.11,

prepay Loans and reborrow at any time during the Revolving Credit Period under this Section.

SECTION 2.02. Notice of Committed Borrowing. The Borrower shall give the Agent notice (a "Notice of Committed Borrowing") not later than 10:15 A.M. (New York City time) on (x) the date of each Base Rate Borrowing, (y) the second Domestic Business Day before each CD Borrowing and (z) the third Euro-Dollar Business Day before each Euro-Dollar Borrowing, specifying:

(a) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,

(b) the aggregate amount of such Borrowing,

(c) whether the Loans comprising such Borrowing are to be CD Loans, Base Rate Loans or Euro-Dollar Loans, and

(d) in the case of a Fixed Rate Borrowing, the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

SECTION 2.03. Money Market Borrowings.

(a) The Money Market Option. In addition to Committed Borrowings pursuant to Section 2.01, the Borrower may, as set forth in this Section, request the Banks during the Revolving Credit Period to make offers to make Money Market Loans to the Borrower. The Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section.

(b) Money Market Quote Request. When the Borrower wishes to request offers to make Money Market Loans under this Section, it shall transmit to the Agent by telex or facsimile transmission a Money Market Quote Request substantially in the form of Exhibit B hereto so as to be received no later than 10:00 A.M. (New York City time) on (x) the fifth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction or (y) the Domestic Business Day next preceding the date of Borrowing proposed therein, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Agent shall have mutually agreed and shall have notified the Banks not later than the date of the Money

Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective) specifying:

(i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,

(ii) the aggregate amount of such Borrowing, which shall be $10,000,000 or a larger multiple of $1,000,000,

(iii) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and

(iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate.

The Borrower may request offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request. No Money Market Quote Request shall be given within five Euro-Dollar Business Days (or such other number of days as the Borrower and the Agent may agree) of any other Money Market Quote Request.

(c) Invitation for Money Market Quotes. Promptly upon receipt of a Money Market Quote Request, the Agent shall send to the Banks by telex or facsimile transmission an Invitation for Money Market Quotes substantially in the form of Exhibit C hereto, which shall constitute an invitation by the Borrower to each Bank to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) Submission and Contents of Money Market Quotes. (i) Each Bank may submit a Money Market Quote containing an offer or offers to make Money Market Loans in response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this subsection (d) and must be submitted to the Agent by telex or facsimile transmission at its offices specified in or pursuant to Section 9.01 not later than (x) 2:00 P.M. (New York City time) on the fourth Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:15 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the

Borrower and the Agent shall have mutually agreed and shall have notified the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); provided that Money Market Quotes submitted by the Agent (or any affiliate of the Agent) in the capacity of a Bank may be submitted, and may only be submitted, if the Agent or such affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than (x) one hour prior to the deadline for the other Banks, in the case of a LIBOR Auction or (y) 15 minutes prior to the deadline for the other Banks, in the case of an Absolute Rate Auction. Subject to Articles III and VI, any Money Market Quote so made shall be irrevocable except with the written consent of the Agent given on the instructions of the Borrower.

(ii) Each Money Market Quote shall be in substantially the form of Exhibit D hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of the Money Market Loan for which each such offer is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Bank, (x) must be $5,000,000 or a larger multiple of $1,000,000, (y) may not exceed the principal amount of Money Market Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Money Market Loans for which offers being made by such quoting Bank may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable London Interbank Offered Rate (the "Money Market Margin") offered for each such Money Market Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Money Market Absolute Rate") offered for each such Money Market Loan, and

(E) the identity of the quoting Bank.

A Money Market Quote may set forth up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in conformity with Exhibit D hereto or does not specify all of the information required by subsection (d)(ii);

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes; or

(D) arrives after the time set forth in subsection (d)(i).

(e) Notice to Borrower. The Agent shall promptly notify the Borrower of the terms (x) of any Money Market Quote submitted by a Bank that is in accordance with subsection (d) and (y) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote. The Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Money Market Loans for which offers have been received for each Interest Period specified in the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, limitations on the aggregate principal amount of Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) Acceptance and Notice by Borrower. Not later than 10:15 A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Agent shall have mutually agreed and shall have notified the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Borrower shall notify the Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e). In the case of acceptance, such notice (a

"Notice of Money Market Borrowing") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Money Market Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request,

(ii) the principal amount of each Money Market Borrowing must be $10,000,000 or a larger multiple of $1,000,000,

(iii) acceptance of offers may only be made on the basis of ascending Money Market Margins or Money Market Absolute Rates, as the case may be, and

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Agent. If offers are made by two or more Banks with the same Money Market Margins or Money Market Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Agent among such Banks as nearly as possible (in multiples of $1,000,000, as the Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determinations by the Agent of the amounts of Money Market Loans shall be conclusive in the absence of manifest error.

SECTION 2.04. Notice to Banks; Funding of Loans.

(a) Upon receipt of a Notice of Borrowing, the Agent shall promptly notify each Bank of the contents thereof and of such Bank's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 12:00 Noon (New York City time) on the date of each Borrowing, each Bank participating therein shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other funds immediately available in New York City, to the Agent at its address referred to in Section 9.01. Unless the Agent determines that any applicable

condition specified in Article III has not been satisfied, the Agent will make the funds so received from the Banks available to the Borrower at the Agent's aforesaid address.

(c) If any Bank makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan from such Bank, such Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Agent as provided in subsection (b), or remitted by the Borrower to the Agent as provided in Section 2.12, as the case may be.

(d) Unless the Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Agent such Bank's share of such Borrowing, the Agent may assume that such Bank has made such share available to the Agent on the date of such Borrowing in accordance with subsections (b) and (c) of this Section 2.04 and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have so made such share available to the Agent, such Bank and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.07 and (ii) in the case of such Bank, the Federal Funds Rate. If such Bank shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Bank's Loan included in such Borrowing for purposes of this Agreement.

SECTION 2.05. Notes. (a) The Loans of each Bank shall be evidenced by a single Note payable to the order of such Bank for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of such Bank's Loans.

(b) Each Bank may, by notice to the Borrower and the Agent, request that its Loans of a particular type be evidenced by a separate Note in an amount equal to the aggregate unpaid principal amount of such Loans. Each such Note shall be in substantially the form of Exhibit A hereto with appropriate modifications to reflect the fact that it evidences solely Loans of the relevant type. Each reference in this Agreement to the "Note" of such Bank shall be deemed

to refer to and include any or all of such Notes, as the context may require.

(c) Upon receipt of each Bank's Note pursuant to Section 3.01(a), the Agent shall forward such Note to such Bank. Each Bank shall record the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and may, if such Bank so elects in connection with any transfer or enforcement of its Note, endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; provided that the failure of any Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Notes. Each Bank is hereby irrevocably authorized by the Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

SECTION 2.06. Maturity of Loans. Each Loan included in any Borrowing shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Borrowing.

SECTION 2.07. Interest Rates. (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate for such day. Such interest shall be payable for each Interest Period on the last day thereof. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the rate otherwise applicable to Base Rate Loans for such day.

(b) Each CD Loan shall bear interest on the outstanding principal amount thereof, for each day during the Interest Period applicable thereto, at a rate per annum equal to the sum of the CD Margin for such day plus the Adjusted CD Rate applicable to such Interest Period; provided that if any CD Loan or any portion thereof shall, as a result of clause (2)(b) or (2)(c)(i) of the definition of Interest Period, have an Interest Period of less than 30 days, such portion shall bear interest during such Interest Period at the rate applicable to Base Rate Loans during such period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than 90 days, at intervals of 90 days after the first day thereof. Any overdue principal of or interest on any CD Loan shall bear interest, payable on demand, for each

day until paid at a rate per annum equal to the sum of 2% plus the higher of (i) the sum of the CD Margin for such day plus the Adjusted CD Rate applicable to the Interest Period for such Loan and (ii) the rate applicable to Base Rate Loans for such day.

"CD Margin" means a rate per annum determined in accordance with the Pricing Schedule.

The "Adjusted CD Rate" applicable to any Interest Period means a rate per annum determined pursuant to the following formula:

$$ACDR = \left[\frac{CDBR}{1.00 - DRP} \right]^{*} + AR$$

ACDR = Adjusted CD Rate
CDBR = CD Base Rate
DRP = Domestic Reserve Percentage
AR = Assessment Rate

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* The amount in brackets being rounded upward, if necessary, to the next higher 1/100 of 1%

The "CD Base Rate" applicable to any Interest Period is the rate of interest determined by the Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the prevailing rates per annum bid at 10:00 A.M. (New York City time) (or as soon thereafter as practicable) on the first day of such Interest Period by two or more New York certificate of deposit dealers of recognized standing for the purchase at face value from each CD Reference Bank of its certificates of deposit in an amount comparable to the principal amount of the CD Loan of such CD Reference Bank to which such Interest Period applies and having a maturity comparable to such Interest Period.

"Domestic Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including without limitation any basic, supplemental or emergency reserves) for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of new non-personal time deposits in dollars in New York City having a maturity comparable to the related Interest

Period and in an amount of $100,000 or more. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Domestic Reserve Percentage.

"Assessment Rate" means for any day the annual assessment rate in effect on such day which is payable by a member of the Bank Insurance Fund classified as adequately capitalized and within supervisory subgroup "A" (or a comparable successor assessment risk classification) within the meaning of 12 C.F.R. section 327.3(d) (or any successor provision) to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at offices of such institution in the United States. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Assessment Rate.

(c) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for each day during the Interest Period applicable thereto, at a rate per annum equal to the sum of the Euro-Dollar Margin for such day plus the Adjusted London Interbank Offered Rate applicable to such Interest Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.

"Euro-Dollar Margin" means a rate per annum determined in accordance with the Pricing Schedule.

The "Adjusted London Interbank Offered Rate" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

The "London Interbank Offered Rate" applicable to any Interest Period means the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which deposits in dollars are offered to each of the Euro-Dollar Reference Banks in the London interbank market at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Euro-Dollar Loan of such Euro-Dollar Reference Bank to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

"Euro-Dollar Reserve Percentage" means for any day

that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

(d) Any overdue principal of or interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the higher of (i) the sum of 2% plus the Euro-Dollar Margin for such day plus the Adjusted London Interbank Offered Rate applicable to the Interest Period for such Loan and (ii) the sum of 2% plus the Euro-Dollar Margin for such day plus the quotient obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by dividing (x) the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which one day (or, if such amount due remains unpaid more than three Euro-Dollar Business Days, then for such other period of time not longer than six months as the Agent may select) deposits in dollars in an amount approximately equal to such overdue payment due to each of the Euro-Dollar Reference Banks are offered to such Euro-Dollar Reference Bank in the London interbank market for the applicable period determined as provided above by (y) 1.00 minus the Euro-Dollar Reserve Percentage (or, if the circumstances described in clause (a) or (b) of Section 8.01 shall exist, at a rate per annum equal to the sum of 2% plus the rate applicable to Base Rate Loans for such day).

(e) Subject to Section 8.01(a), each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the London Interbank Offered Rate for such Interest Period (determined in accordance with Section 2.07(c) as if the related Money Market LIBOR Borrowing were a Committed Euro-Dollar Borrowing) plus (or minus) the Money Market Margin quoted by the Bank making such Loan in accordance with Section 2.03. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest

Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Bank making such Loan in accordance with Section 2.03. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of or interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the Base Rate for such day.

(f) The Agent shall determine each interest rate applicable to the Loans hereunder. The Agent shall give prompt notice to the Borrower and the participating Banks of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(g) Each Reference Bank agrees to use its best efforts to furnish quotations to the Agent as contemplated by this Section. If any Reference Bank does not furnish a timely quotation, the Agent shall determine the relevant interest rate on the basis of the quotation or quotations furnished by the remaining Reference Bank or Banks or, if none of such quotations is available on a timely basis, the provisions of Section 8.01 shall apply.

SECTION 2.08. Fees.

(a) Commitment Fee. During the Revolving Credit Period, the Borrower shall pay to the Agent for the account of the Banks ratably in proportion to their Commitments a commitment fee at the Commitment Fee Rate (determined daily in accordance with the Pricing Schedule) on the daily amount by which the aggregate amount of the Commitments exceeds the aggregate outstanding principal amount of the Loans. Such commitment fee shall accrue from and including the Effective Date to but excluding the Termination Date (or earlier date of termination of the Commitments in their entirety).

(b) Facility Fee. The Borrower shall pay to the Agent for the account of the Banks ratably a facility fee at the Facility Fee Rate (determined daily in accordance with the Pricing Schedule). Such facility fee shall accrue (i) from and including the Effective Date to but excluding the Termination Date (or earlier date of termination of the Commitments in their entirety), on the daily aggregate amount of the Commitments (whether used or unused) and (ii) from and including the Termination Date or such earlier date of termination to but excluding the date the Loans shall be repaid in their entirety, on the daily aggregate outstanding

principal amount of the Loans.

(c) Payments. Accrued fees under this Section shall be payable quarterly on each March 31, June 30, September 30 and December 31, and upon the date of termination of the Commitments in their entirety (and, if later, the date the Loans shall be repaid in their entirety).

SECTION 2.09. Optional Termination or Reduction of Commitments. During the Revolving Credit Period, the Borrower may, upon at least three Domestic Business Days' notice to the Agent, (i) terminate the Commitments at any time, if no Loans are outstanding at such time or (ii) ratably reduce from time to time by an aggregate amount of $10,000,000 or any larger multiple thereof, the aggregate amount of the Commitments in excess of the aggregate outstanding principal amount of the Loans.

SECTION 2.10. Scheduled Termination of Commitments. The Commitments shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

SECTION 2.11. Optional Prepayments. (a) Subject in the case of any Fixed Rate Borrowing to Section 2.13, the Borrower may, upon at least one Domestic Business Day's notice to the Agent, prepay any Base Rate Borrowing (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.01(a)), upon at least three Domestic Business Days' notice to the Agent, prepay any CD Borrowing or upon at least three Euro-Dollar Business Days' notice to the Agent, prepay any Euro-Dollar Borrowing, in each case in whole at any time, or from time to time in part in amounts aggregating $10,000,000 or any larger multiple of $1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Borrowing.

(b) Except as provided in Section 2.11(a), the Borrower may not prepay all or any portion of the principal amount of any Money Market Loan prior to the maturity thereof.

(c) Upon receipt of a notice of prepayment pursuant to this Section, the Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share (if any) of such prepayment and such notice shall not

thereafter be revocable by the Borrower.

SECTION 2.12. General Provisions as to Payments. (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees hereunder, not later than 12:00 Noon (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Agent at its address referred to in Section 9.01. The Agent will promptly distribute to each Bank its ratable share of each such payment received by the Agent for the account of the Banks. Whenever any payment of principal of, or interest on, the Domestic Loans or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. Whenever any payment of principal of, or interest on, the Money Market Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Banks hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent that the Borrower shall not have so made such payment, each Bank shall repay to the Agent forthwith on demand such amount distributed to such Bank together with interest thereon, for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.13. Funding Losses. If the Borrower makes any payment of principal with respect to any Fixed Rate Loan (pursuant to Article II, VI or VIII or otherwise) on any day other than the last day of the Interest Period applicable thereto, or the last day of an applicable period fixed pursuant to Section 2.07(d), or if the Borrower fails to borrow or prepay any Fixed Rate Loans after notice has

been given to any Bank in accordance with Section 2.04(a) or 2.11(c), the Borrower shall reimburse each Bank within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or failure to borrow or prepay, provided that such Bank shall have delivered to the Borrower a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

SECTION 2.14. Computation of Interest and Fees. Interest based on the Prime Rate hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

ARTICLE III

CONDITIONS

SECTION 3.01. Effectiveness. This Agreement shall become effective on the date that each of the following conditions shall have been satisfied (or waived in accordance with Section 9.05):

(a) receipt by the Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Agent in form satisfactory to it of telegraphic, telex or other written confirmation from such party of execution of a counterpart hereof by such party);

(b) receipt by the Agent of a duly executed Note for the account of each Bank dated on or before the Effective Date complying with the provisions of Section 2.05;

(c) receipt by the Agent of an opinion of the General Counsel of the Borrower, substantially in the form of Exhibit E hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(d) receipt by the Agent of an opinion of Davis Polk & Wardwell, special counsel for the Agent, substantially in the form of Exhibit F hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(e) receipt by the Agent of all documents the Agent may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Agent; and

(f) receipt by the Agent of evidence satisfactory to it of the payment of all principal of and interest on any loans outstanding under and of all other amounts payable under, and of the termination of all lending commitments under, the Existing Credit Agreement;

provided that this Agreement shall not become effective or be binding on any party hereto unless all of the foregoing conditions are satisfied not later than June 7, 1994. The Agent shall promptly notify the Borrower and the Banks of the Effective Date, and such notice shall be conclusive and binding on all parties hereto.

SECTION 3.02. Borrowings. The obligation of any Bank to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) receipt by the Agent of a Notice of Borrowing as required by Section 2.02 or 2.03, as the case may be;

(b) the fact that, immediately after such Borrowing, the aggregate outstanding principal amount of the Loans will not exceed the aggregate amount of the Commitments;

(c) the fact that, immediately before and after such Borrowing, no Default shall have occurred and be continuing; and

(d) the fact that the representations and warranties of the Borrower contained in this Agreement (except, in the case of a Refunding Borrowing, the representations and warranties set forth in Sections 4.04(c) and 4.05 as to any matter which has theretofore been disclosed in writing by the Borrower to the Banks)

shall be true on and as of the date of such Borrowing.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

SECTION 4.01. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of New York, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.02. Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or any of its Significant Subsidiaries or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Significant Subsidiaries.

SECTION 4.03. Binding Effect. This Agreement constitutes a valid and binding agreement of the Borrower and each Note, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms.

SECTION 4.04. Financial Information.

(a) The consolidated statement of financial position of the Borrower and its Consolidated Subsidiaries as of June 30, 1993 and the related consolidated statements of operations and cash flows for the fiscal year then ended,

reported on by Price Waterhouse and set forth in the Borrower's 1993 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(b) The unaudited consolidated statement of financial position of the Borrower and its Consolidated Subsidiaries as of March 31, 1994 and the related unaudited consolidated statements of operations and cash flows for the nine months then ended, set forth in the Borrower's Latest Form 10-Q, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles applied on a basis consistent with the financial statements referred to in subsection (a) of this Section, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such nine month period (subject to normal year-end adjustments).

(c) Since March 31, 1994 there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole.

SECTION 4.05. Litigation. There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or which in any manner draws into question the validity of this Agreement or the Notes.

SECTION 4.06. Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement,

or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Internal Revenue Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

SECTION 4.07. Environmental Matters. In the ordinary course of its business, the Borrower reviews the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat, any costs or liabilities in connection with off-site disposal of wastes or Hazardous Substances, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that such associated liabilities and costs, including the costs of compliance with Environmental Laws, are unlikely to have a material adverse effect on the business, financial condition, results of operations or prospects of the Borrower and its Consolidated Subsidiaries, considered as a whole.

SECTION 4.08. Taxes. The Borrower and its Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, except taxes being contested in good faith and by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 4.09. Subsidiaries. Each of the Borrower's Significant Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on

its business as now conducted.

SECTION 4.10. Not an Investment Company. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 4.11. Full Disclosure. All information heretofore furnished by the Borrower to the Agent or any Bank for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all such information hereafter furnished by the Borrower to the Agent or any Bank will be, true and accurate in all material respects on the date as of which such information is stated or certified. The Borrower has disclosed to the Banks in writing any and all facts which materially and adversely affect or may affect (to the extent the Borrower can now reasonably foresee), the business, operations or financial condition of the Borrower and its Consolidated Subsidiaries, taken as a whole, or the ability of the Borrower to perform its obligations under this Agreement.

ARTICLE V

COVENANTS

The Borrower agrees that, so long as any Bank has any Commitment hereunder or any amount payable under any Note remains unpaid:

SECTION 5.01. Information. The Borrower will deliver to each of the Banks:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a consolidated statement of financial position of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of operations and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in a manner acceptable to the Securities and Exchange Commission by independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a consolidated statement of financial position of the Borrower and its Consolidated Subsidiaries as of the

end of such quarter and the related consolidated statements of operations and cash flows for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in the case of such statements of operations and cash flows in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, generally accepted accounting principles and consistency by the chief financial officer or the chief accounting officer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer or the chief accounting officer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.07 and 5.11 on the date of such financial statements, (ii) setting forth a calculation of the Leverage Ratio as at the date of such financial statements and the Interest Coverage Ratio for the period of four consecutive fiscal quarters then ended and (iii) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) within five days after any officer of the Borrower obtains knowledge of any Default, if such Default is then continuing, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(f) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(g) if and when any member of the ERISA Group (i) gives, either on a mandatory or a voluntary basis, notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given, either on a mandatory or a voluntary basis, notice of any such reportable event, a copy of the notice of such reportable event given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement or makes any amendment to any Plan or Benefit Arrangement which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take; and

(h) from time to time such additional information regarding the financial position or business of the Borrower and its Subsidiaries as the Agent, at the request of any Bank, may reasonably request.

SECTION 5.02. Payment of Obligations. The Borrower will pay and discharge, and will cause each Significant Subsidiary to pay and discharge, at or before maturity, all their respective material obligations and liabilities, including, without limitation, tax liabilities, except where the same may be contested in good faith by appropriate proceedings, and will maintain, and will cause each Significant Subsidiary to maintain, in accordance with generally accepted accounting principles, appropriate

reserves for the accrual of any of the same.

SECTION 5.03. Maintenance of Property; Insurance. (a) The Borrower will keep, and will cause each Significant Subsidiary to keep, all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

(b) The Borrower will, and will cause each Significant Subsidiary to, maintain (either in the name of the Borrower or in such Significant Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all their respective properties in at least such amounts and against at least such risks (and with such risk retention) as are usually insured against in the same general area by companies of established repute engaged in the same or a similar business.

SECTION 5.04. Conduct of Business and Maintenance of Existence. The Borrower will continue, and will cause each Significant Subsidiary to continue, to engage in business of the same general type as now conducted by the Borrower and its Subsidiaries, and will preserve, renew and keep in full force and effect, and will cause each Significant Subsidiary to preserve, renew and keep in full force and effect their respective corporate existence and their respective rights, privileges and franchises necessary or desirable in the normal conduct of business; provided that nothing in this Section 5.04 shall prohibit (i) the merger of a Subsidiary into the Borrower or the merger or consolidation of a Subsidiary with or into another Person if the corporation surviving such consolidation or merger is a Subsidiary and if, in each case, after giving effect thereto, no Default shall have occurred and be continuing or (ii) the termination of the corporate existence of any Subsidiary if the Borrower in good faith determines that such termination is in the best interest of the Borrower and is not materially disadvantageous to the Banks.

SECTION 5.05. Compliance with Laws. The Borrower will comply, and cause each Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings.

SECTION 5.06. Inspection of Property, Books and Records. The Borrower will keep, and will cause each Significant Subsidiary to keep, proper books of record and

account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities; and will permit, and will cause each Significant Subsidiary to permit, representatives of any Bank at such Bank's expense to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants, all at such reasonable times and as often as may reasonably be desired.

SECTION 5.07. Minimum Consolidated Net Worth. Consolidated Net Worth will at no time be less than $200,000,000.

SECTION 5.08. Negative Pledge. Neither the Borrower nor any Significant Subsidiary will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(a) Liens existing on the date of this Agreement securing Debt outstanding on the date of this Agreement in an aggregate principal or face amount not exceeding $25,000,000;

(b) any Lien existing on any asset of any corporation at the time such corporation becomes a Subsidiary and not created in contemplation of such event;

(c) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, provided that such Lien attaches to such asset concurrently with or within 90 days after the acquisition thereof;

(d) any Lien on any asset of any corporation existing at the time such corporation is merged or consolidated with or into the Borrower or a Subsidiary and not created in contemplation of such event;

(e) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Subsidiary and not created in contemplation of such acquisition;

(f) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(g) Liens arising in the ordinary course of its business which (i) do not secure Debt or Derivatives Obligations, (ii) do not secure any obligation in an amount exceeding $25,000,000 and (iii) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(h) Liens on cash and cash equivalents securing Derivatives Obligations, provided that the aggregate amount of cash and cash equivalents subject to such Liens may at no time exceed $10,000,000; and

(i) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt in an aggregate principal or face amount at any date not to exceed 7.5% of Consolidated Net Worth.

SECTION 5.09. Consolidations, Mergers and Sales of Assets. The Borrower will not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer, directly or indirectly, all or substantially all of its assets to any other Person; provided, that the Borrower may merge with another Person if (A) the Borrower is the corporation surviving such merger and (B) immediately after giving effect to such merger, no Default shall have occurred and be continuing.

SECTION 5.10. Use of Proceeds. The proceeds of the Loans made under this Agreement will be used by the Borrower for its general corporate purposes. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock" within the meaning of Regulation U.

SECTION 5.11. Interest Coverage. The Interest Coverage Ratio will not, for any period of four consecutive fiscal quarters, be less than 2.0 to 1.

ARTICLE VI

DEFAULTS

SECTION 6.01. Events of Default. If one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay when due any principal of any Loan or shall fail to pay within five days of the due date thereof any interest on any Loan, any fees or any other amount payable hereunder;

(b) the Borrower shall fail to observe or perform any covenant contained in Sections 5.07 to 5.11, inclusive;

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 10 days after notice thereof has been given to the Borrower by the Agent at the request of any Bank;

(d) any representation, warranty, certification or statement made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made (or deemed made);

(e) the Borrower or any Subsidiary shall fail to make any payment in respect of any Material Financial Obligations when due or, if later, within any applicable grace period;

(f) any event or condition shall occur which results in the acceleration of the maturity of or the termination of the commitment in respect of any Material Financial Obligations or enables the holder of such Material Financial Obligations or any Person acting on such holder's behalf to accelerate the maturity thereof or terminate the commitment in respect thereof;

(g) the Borrower or any Significant Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the

foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower or any Significant Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Significant Subsidiary under the federal bankruptcy laws as now or hereafter in effect;

(i) any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $5,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of $5,000,000;

(j) judgments or orders for the payment of money in excess of $20,000,000 in the aggregate shall be rendered against the Borrower or any Subsidiary and such judgments or orders shall continue unsatisfied and unstayed for a period of 10 days; or

(k) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 20% or more of the outstanding shares of common stock of the Borrower; or, during any period of 12

consecutive calendar months, individuals who were directors of the Borrower on the first day of such period shall cease to constitute a majority of the board of directors of the Borrower;

then, and in every such event, the Agent shall (i) if requested by Banks having more than 50% in aggregate amount of the Commitments, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (ii) if requested by Banks holding Notes evidencing more than 50% in aggregate principal amount of the Loans, by notice to the Borrower declare the Notes (together with accrued interest thereon) to be, and the Notes shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the Events of Default specified in clause (g) or (h) above with respect to the Borrower, without any notice to the Borrower or any other act by the Agent or the Banks, the Commitments shall thereupon terminate and the Notes (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.02. Notice of Default. The Agent shall give notice to the Borrower under Section 6.01(c) promptly upon being requested to do so by any Bank and shall thereupon notify all the Banks thereof.

ARTICLE VII

THE AGENT

SECTION 7.01. Appointment and Authorization. Each Bank irrevocably appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to the Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

SECTION 7.02. Agent and Affiliates. Morgan Guaranty Trust Company of New York shall have the same rights and powers under this Agreement as any other Bank and may exercise or refrain from exercising the same as though it were not the Agent, and Morgan Guaranty Trust Company of New York and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or affiliate of the Borrower

as if it were not the Agent hereunder.

SECTION 7.03. Action by Agent. The obligations of the Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article VI.

SECTION 7.04. Consultation with Experts. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 7.05. Liability of Agent. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Banks or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article III, except receipt of items required to be delivered to the Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex, facsimile transmission or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

SECTION 7.06. Indemnification. Each Bank shall, ratably in accordance with its Commitment, indemnify the Agent, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct) that such indemnitees may suffer or incur in connection with this Agreement or any action taken or omitted by such indemnitees

hereunder.

SECTION 7.07. Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

SECTION 7.08. Successor Agent. The Agent may resign at any time by giving notice thereof to the Banks and the Borrower. Upon any such resignation, the Required Banks shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Banks, and shall have accepted such appointment, within 30 days after the retiring Agent gives notice of resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $50,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

SECTION 7.09. Agent's Fee. The Borrower shall pay to the Agent for its own account fees in the amounts and at the times previously agreed upon between the Borrower and the Agent.

ARTICLE VIII

CHANGE IN CIRCUMSTANCES

SECTION 8.01. Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any Fixed Rate Borrowing:

(a) the Agent is advised by the Reference Banks that deposits in dollars (in the applicable amounts) are not being offered to the Reference Banks in the relevant market for such Interest Period, or

(b) in the case of a Committed Borrowing, Banks having 50% or more of the aggregate amount of the Commitments advise the Agent that the Adjusted CD Rate or the Adjusted London Interbank Offered Rate, as the case may be, as determined by the Agent will not adequately and fairly reflect the cost to such Banks of funding their CD Loans or Euro-Dollar Loans, as the case may be, for such Interest Period,

the Agent shall forthwith give notice thereof to the Borrower and the Banks, whereupon until the Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, the obligations of the Banks to make CD Loans or Euro-Dollar Loans, as the case may be, shall be suspended. Unless the Borrower notifies the Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, (i) if such Fixed Rate Borrowing is a Committed Borrowing, such Borrowing shall instead be made as a Base Rate Borrowing and (ii) if such Fixed Rate Borrowing is a Money Market LIBOR Borrowing, the Money Market LIBOR Loans comprising such Borrowing shall bear interest for each day from and including the first day to but excluding the last day of the Interest Period applicable thereto at the Base Rate for such day.

SECTION 8.02. Illegality. If, on or after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Bank shall so notify the Agent, the Agent shall forthwith give notice thereof to the other Banks and the Borrower, whereupon until such Bank notifies the Borrower and the Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make Euro-Dollar Loans shall be suspended. Before giving any notice to the Agent pursuant

to this Section, such Bank shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. If such Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Euro-Dollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of each such Euro-Dollar Loan, together with accrued interest thereon. Concurrently with prepaying each such Euro-Dollar Loan, the Borrower shall borrow a Base Rate Loan in an equal principal amount from such Bank (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and such Bank shall make such a Base Rate Loan.

SECTION 8.03. Increased Cost and Reduced Return. (a) If on or after (x) the date hereof, in the case of any Committed Loan or any obligation to make Committed Loans or (y) the date of the related Money Market Quote, in the case of any Money Market Loan, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding (i) with respect to any CD Loan any such requirement included in an applicable Domestic Reserve Percentage and (ii) with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage), special deposit, insurance assessment (excluding, with respect to any CD Loan, any such requirement reflected in an applicable Assessment Rate) or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Bank (or its Applicable Lending Office) or shall impose on any Bank (or its Applicable Lending Office) or on the United States market for certificates of deposit or the London interbank market any other condition affecting its Fixed Rate Loans, its Note or its obligation to make Fixed Rate Loans and the result of any of the foregoing is to increase the cost to such Bank (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by such Bank (or its

Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Bank to be material, then, within 15 days after demand by such Bank (with a copy to the Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank for such increased cost or reduction.

(b) If any Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change in any such law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank (or its Parent) as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or its Parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank (with a copy to the Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its Parent) for such reduction.

(c) Each Bank will promptly notify the Borrower and the Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods.

SECTION 8.04. Taxes. (a) For purposes of this Section 8.04, the following terms have the following meanings:

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings

with respect to any payment by the Borrower pursuant to this Agreement or under any Note, and all liabilities with respect thereto, excluding (i) in the case of each Bank and the Agent, taxes imposed on its income, and franchise or similar taxes imposed on it, by a jurisdiction under the laws of which such Bank or the Agent (as the case may be) is organized or in which its principal executive office is located or, in the case of each Bank, in which its Applicable Lending Office is located and (ii) in the case of each Bank, any United States withholding tax imposed on such payments but only to the extent that such Bank is subject to United States withholding tax at the time such Bank first becomes a party to this Agreement.

"Other Taxes" means any present or future stamp or documentary taxes and any other excise or property taxes, or similar charges or levies, which arise from any payment made pursuant to this Agreement or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note.

(b) Any and all payments by the Borrower to or for the account of any Bank or the Agent hereunder or under any Note shall be made without deduction for any Taxes or Other Taxes; provided that, if the Borrower shall be required by law to deduct any Taxes or Other Taxes from any such payments, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 8.04) such Bank or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) the Borrower shall furnish to the Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt evidencing payment thereof.

(c) The Borrower agrees to indemnify each Bank and the Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 8.04) paid by such Bank or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be paid within 15 days after such Bank or the Agent (as the case may be) makes demand therefor.

(d) Each Bank organized under the laws of a

jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Bank listed on the signature pages hereof and on or prior to the date on which it becomes a Bank in the case of each other Bank, and from time to time thereafter if requested in writing by the Borrower (but only so long as such Bank remains lawfully able to do so), shall provide the Borrower with Internal Revenue Service form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Bank is entitled to benefits under an income tax treaty to which the United States is a party which exempts the Bank from United States withholding tax or reduces the rate of withholding tax on payments of interest for the account of such Bank or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States.

(e) For any period with respect to which a Bank has failed to provide the Borrower with the appropriate form pursuant to Section 8.04(d) (unless such failure is due to a change in treaty, law or regulation occurring subsequent to the date on which such form originally was required to be provided), such Bank shall not be entitled to indemnification under Section 8.04(b) or (c) with respect to Taxes imposed by the United States; provided that if a Bank, which is otherwise exempt from or subject to a reduced rate of withholding tax, becomes subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as such Bank shall reasonably request to assist such Bank to recover such Taxes.

(f) If the Borrower is required to pay additional amounts to or for the account of any Bank pursuant to this Section 8.04, then such Bank will change the jurisdiction of its Applicable Lending Office if, in the judgment of such Bank, such change (i) will eliminate or reduce any such additional payment which may thereafter accrue and (ii) is not otherwise disadvantageous to such Bank.

SECTION 8.05. Base Rate Loans Substituted for Affected Fixed Rate Loans. If (i) the obligation of any Bank to make Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03 or 8.04 with respect to its CD Loans or Euro-Dollar Loans and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Bank through the Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer exist:

(a) all Loans which would otherwise be made by such Bank as CD Loans or Euro-Dollar Loans, as the case may be, shall be made instead as Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Fixed Rate Loans of the other Banks), and

(b) after each of its CD Loans or Euro-Dollar Loans, as the case may be, has been repaid, all payments of principal which would otherwise be applied to repay such Fixed Rate Loans shall be applied to repay its Base Rate Loans instead.

SECTION 8.06. Substitution of Bank. If (i) the obligation of any Bank to make Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03 or 8.04, the Borrower shall have the right, with the assistance of the Agent, to seek a mutually satisfactory substitute bank or banks (which may be one or more of the Banks) to purchase the Note and assume the Commitment of such Bank.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telex, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of the Borrower or the Agent, at its address, facsimile number or telex number set forth on the signature pages hereof, (y) in the case of any Bank, at its address, facsimile number or telex number set forth in its Administrative Questionnaire or (z) in the case of any party, such other address, facsimile number or telex number as such party may hereafter specify for the purpose by notice to the Agent and the Borrower. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section and the appropriate answerback is received, (ii) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (iii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iv) if given by any other means, when delivered at the address specified in

this Section; provided that notices to the Agent under Article II or Article VIII shall not be effective until received.

SECTION 9.02. No Waivers. No failure or delay by the Agent or any Bank in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03. Expenses; Indemnification. (a) The Borrower shall pay (i) all out-of-pocket expenses of the Agent, including fees and disbursements of special counsel for the Agent, in connection with the preparation and administration of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder and (ii) if an Event of Default occurs, all out-of-pocket expenses incurred by the Agent and each Bank, including (without duplication) the fees and disbursements of outside counsel and the allocated cost of inside counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom.

(b) The Borrower agrees to indemnify the Agent and each Bank, their respective affiliates and the respective directors, officers, agents and employees of the foregoing (each an "Indemnitee") and hold each Indemnitee harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by such Indemnitee in connection with any investigative, administrative or judicial proceeding (whether or not such Indemnitee shall be designated a party thereto) brought or threatened relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans hereunder; provided that no Indemnitee shall have the right to be indemnified hereunder for such Indemnitee's own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

SECTION 9.04. Sharing of Set-Offs. Each Bank agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest due with respect to any Note held by it which is greater than the proportion received by any other Bank in respect of

the aggregate amount of principal and interest due with respect to any Note held by such other Bank, the Bank receiving such proportionately greater payment shall purchase such participations in the Notes held by the other Banks, and such other adjustments shall be made, as may be required so that all such payments of principal and interest with respect to the Notes held by the Banks shall be shared by the Banks pro rata; provided that nothing in this Section shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness hereunder. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any holder of a participation in a Note, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

SECTION 9.05. Amendments and Waivers. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Banks (and, if the rights or duties of the Agent are affected thereby, by the Agent); provided that no such amendment or waiver shall, unless signed by all the Banks, (i) increase or decrease the Commitment of any Bank (except for a ratable decrease in the Commitments of all Banks) or subject any Bank to any additional obligation, (ii) reduce the principal of, accrued interest on, or rate of interest on any Loan or any fees hereunder, (iii) postpone the date fixed for any payment of principal of or interest on any Loan or any fees hereunder or for any reduction or termination of any Commitment, (iv) change the aggregate amount by which or to which the Commitments are required to be reduced on or prior to any Commitment Reduction Date or (v) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Banks, which shall be required for the Banks or any of them to take any action under this Section or any other provision of this Agreement.

SECTION 9.06. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Banks.

(b) Any Bank may at any time grant to one or more

banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of its Loans. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to the Borrower and the Agent, such Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that such Bank will not agree to any modification, amendment or waiver of this Agreement described in clause (i), (ii), (iii) or (iv) of Section 9.05 without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article VIII with respect to its participating interest. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) Any Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of all, of its rights and obligations under this Agreement and the Notes, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit G hereto executed by such Assignee and such transferor Bank, with (and subject to) the subscribed consent of the Borrower and the Agent; provided that if an Assignee is an affiliate of such transferor Bank or was a Bank immediately prior to such assignment, no such consent shall be required; and provided further that such assignment may, but need not, include rights of the transferor Bank in respect of outstanding Money Market Loans. Upon execution and delivery of such instrument and payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment as set forth in such instrument of assumption, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required.

Upon the consummation of any assignment pursuant to this subsection (c), the transferor Bank, the Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. In connection with any such assignment, the transferor Bank shall pay to the Agent an administrative fee for processing such assignment in the amount of $2,500. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall deliver to the Borrower and the Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 8.04.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement and its Note to a Federal Reserve Bank. No such assignment shall release the transferor Bank from its obligations hereunder.

(e) No Assignee, Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment under Section 8.03 or 8.04 than such Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 8.02, 8.03 or 8.04 requiring such Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

SECTION 9.07. Collateral. Each of the Banks represents to the Agent and each of the other Banks that it in good faith is not relying upon any "margin stock" (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.08. Governing Law; Submission to Jurisdiction. This Agreement and each Note shall be governed by and construed in accordance with the laws of the State of New York. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York City for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 9.09. Counterparts; Integration. This

Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE AGENT AND THE BANKS HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE PERKIN-ELMER CORPORATION

By /s/ William F. Emswiler
Title: Vice President, Finance
761 Main Avenue
Norwalk, Connecticut 06859-0001
Telex number: 965954
Facsimile number: (203) 761-5000

Commitments

$20,000,000 MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By /s/ Sandra J.S. Kurek
Title: Associate

$20,000,000 CITIBANK, N.A.

By /s/ James M. Walsh
Title: Attorney-in-Fact

$20,000,000 CREDIT SUISSE

By /s/ Lynn Allegaert
Title: Member of Senior Management

By /s/ Demian M. Gage
Title: Associate

$10,000,000 BANQUE NATIONALE DE PARIS

By /s/ Eric Vigne
Title: Senior Vice President

By /s/ Sophie Revillard Kaufman
Title: Vice President

$10,000,000 CHEMICAL BANK

By /s/ Edmond DeForest
Title: Vice President

$10,000,000 THE INDUSTRIAL BANK OF JAPAN, LIMITED

By /s/ Takeshi Kawano
Title: Senior Vice President

$10,000,000 WACHOVIA BANK OF GEORGIA, N.A.

By /s/ Linda M. Harris
Title: Senior Vice President

Total Commitments

$100,000,000
==========

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Agent

By /s/ Sandra J.S. Kurek
Title: Associate
60 Wall Street
New York, New York 10260-0060
Attention: Loan Department
Telex number: 177615 MGT UT
Facsimile number: (212) 648-5014

PRICING SCHEDULE

The "Euro-Dollar Margin", "CD Margin", "Commitment Fee Rate" and "Facility Fee Rate" for any day are the respective percentages set forth below in the applicable row under the column corresponding to the Status that exists on such day:

Status	Level I	Level II	Level III	Level IV	Level V
Euro-Dollar Margin	0.2375%	0.275%	0.350%	0.375%	0.500%
CD Margin	0.3625%	0.400%	0.475%	0.500%	0.625%
Commitment Fee Rate	0.025%	0.025%	0.050%	0.050%	0.0625%
Facility Fee Rate	0.075%	0.100%	0.100%	0.175%	0.250%

For purposes of this Schedule, the following terms have the following meanings:

"Level I Status" exists at any date if, at such date, the Applicable Leverage Ratio is equal to or less than 0.25 and the Applicable Interest Coverage Ratio is equal to or greater than 8.0.

"Level II Status" exists at any date if, at such date, (i) the Applicable Leverage Ratio is equal to or less than 0.33 and the Applicable Interest Coverage Ratio is equal to or greater than 6.0 and (ii) Level I Status does not exist.

"Level III Status" exists at any date if, at such date, (i) the Applicable Leverage Ratio is equal to or less than 0.375 and the Applicable Interest Coverage Ratio is equal to or greater than 4.5 and (ii) neither Level I Status nor Level II Status exists.

"Level IV Status" exists at any date if, at such date, (i) the Applicable Leverage Ratio is equal to or less than 0.47 and the Applicable Interest Coverage Ratio is equal or greater than 3.0 and (ii) none of Level I Status, Level II Status and Level III Status exists.

"Level V Status" exists at any date if, at such date, no other Status exists.

"Applicable Interest Coverage Ratio" means, with respect to each day during any Quarter, the Interest Coverage Ratio for the period of four consecutive Quarters ending with the immediately preceding Quarter.

"Applicable Leverage Ratio" means, for each day during any Quarter, the Leverage Ratio as at the last day of the immediately preceding Quarter.

"Quarter" means each period of three consecutive calendar months consisting of (i) January, February and March; (ii) April, May and June; (iii) July, August and September and (iv) October, November and December.

"Status" refers to the determination of which of Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status exists at any date.

The Applicable Leverage Ratio and Applicable Interest Coverage Ratio for each Quarter shall be determined initially on the basis of an estimate which shall be furnished by the Borrower to the Agent not later than the earlier of (i) the 60th day of such Quarter and (ii) the tenth day prior to the first day (if any) during such Quarter on which interest is payable in respect of Euro-Dollar Loans or CD Loans. If when finally determined the actual Applicable Leverage Ratio or Applicable Interest Coverage Ratio differs from the estimate, appropriate adjustments shall be made as determined by the Agent.

EXHIBIT A

NOTE

New York, New York
, 19

For value received, The Perkin-Elmer Corporation, a New York corporation (the "Borrower"), promises to pay to the order of
(the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the last day of the Interest Period relating to such Loan. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York.

All Loans made by the Bank, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, if the Bank so elects in connection with any transfer or enforcement hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding may be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Notes referred to in the Three-Year Credit Agreement dated as of June 1, 1994 among the Borrower, the banks listed on the signature pages thereof and Morgan Guaranty Trust Company of New York, as Agent (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made

to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

THE PERKIN-ELMER CORPORATION

By_____
Title:

Note (cont'd)

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By

EXHIBIT B

Form of Money Market Quote Request

[Date]

To: Morgan Guaranty Trust Company of New York
(the "Agent")

From: The Perkin-Elmer Corporation

Re: Three-Year Credit Agreement (the "Credit Agreement") dated as of June 1, 1994 among the Borrower, the Banks listed on the signature pages thereof and the Agent

We hereby give notice pursuant to Section 2.03 of the Credit Agreement that we request Money Market Quotes for the following proposed Money Market Borrowing(s):

Date of Borrowing: _____

Principal Amount	Interest Period
$	

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Terms used herein have the meanings assigned to them in the Credit Agreement.

THE PERKIN-ELMER CORPORATION

By_____
Title:

EXHIBIT C

Form of Invitation for Money Market Quotes

To: [Name of Bank]

Re: Invitation for Money Market Quotes to The Perkin-Elmer Corporation (the "Borrower")

Pursuant to Section 2.03 of the Three-Year Credit Agreement dated as of June 1, 1994 among the Borrower, the Banks parties thereto and the undersigned, as Agent, we are pleased on behalf of the Borrower to invite you to submit Money Market Quotes to the Borrower for the following proposed Money Market Borrowing(s):

Date of Borrowing: _____

Principal Amount	Interest Period
$	

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Please respond to this invitation by no later than [2:00 P.M.] [9:15 A.M.] (New York City time) on [date].

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By_____
Authorized Officer

EXHIBIT D

Form of Money Market Quote

To: Morgan Guaranty Trust Company of New York,
as Agent

Re: Money Market Quote to The Perkin-Elmer
Corporation (the "Borrower")

In response to your invitation on behalf of the Borrower dated _____, 19__, we hereby make the following Money Market Quote on the following terms:

1. Quoting Bank: _____

2. Person to contact at Quoting Bank:

_____

3. Date of Borrowing: _____*

4. We hereby offer to make Money Market Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

Principal Amount**	Interest Period***	Money Market [Margin****]	[Absolute Rate*****]
$			
$			

[Provided, that the aggregate principal amount of Money Market Loans for which the above offers may be accepted shall not exceed $_____.]**

_____

* As specified in the related Invitation.
** Principal amount bid for each Interest Period may not exceed principal amount requested. Specify aggregate limitation if the sum of the individual offers exceeds the amount the Bank is willing to lend. Bids must be made for $5,000,000 or a larger multiple of $1,000,000.

(notes continued on following page)

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Three-Year Credit Agreement dated as of June 1, 1994 among the Borrower, the Banks listed on the signature pages thereof and yourselves, as Agent, irrevocably obligates us to make the Money Market Loan(s) for which any offer(s) are accepted, in whole or in part.

Very truly yours,

[NAME OF BANK]

Dated:_____ By:_____
Authorized Officer

_____

*** Not less than one month or not less than 30 days, as specified in the related Invitation. No more than five bids are permitted for each Interest Period.
**** Margin over or under the London Interbank Offered Rate determined for the applicable Interest Period. Specify percentage (to the nearest 1/10,000 of 1%) and specify whether "PLUS" or "MINUS".
***** Specify rate of interest per annum (to the nearest 1/10,000th of 1%).

EXHIBIT E

OPINION OF WILLIAM B. SAWCH
COUNSEL FOR THE BORROWER

To the Banks and the Agent
  Referred to Below
c/o Morgan Guaranty Trust Company
  of New York, as Agent
60 Wall Street
New York, New York 10260

Dear Sirs:

I am Vice President, General Counsel and Secretary of, and have acted as counsel to, The Perkin-Elmer Corporation (the "Borrower") in connection with the Three-Year Credit Agreement (the "Credit Agreement") dated as of June 1, 1994 among the Borrower, the banks listed on the signature pages thereof and Morgan Guaranty Trust Company of New York, as Agent. Terms defined in the Credit Agreement are used herein as therein defined. This opinion is being rendered to you at the request of my client pursuant to Section 3.01(c) of the Credit Agreement.

I, or persons acting under my supervision, have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of New York, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

2. The execution, delivery and performance by the Borrower of the Credit Agreement and the Notes are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of

the certificate of incorporation or by-laws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument known by me to be binding upon the Borrower or any of its Significant Subsidiaries or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Significant Subsidiaries.

3. The Credit Agreement constitutes a valid and binding agreement of the Borrower and each Note constitutes a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

4. There is no action, suit or proceeding pending against, or to the best of my knowledge threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole or which in any manner draws into question the validity of the Credit Agreement or the Notes.

5. Each of the Borrower's Significant Subsidiaries is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

Very truly yours,

EXHIBIT F

OPINION OF
DAVIS POLK & WARDWELL, SPECIAL COUNSEL
FOR THE AGENT

To the Banks and the Agent
  Referred to Below
c/o Morgan Guaranty Trust Company
  of New York, as Agent
60 Wall Street
New York, New York 10260

Dear Sirs:

We have participated in the preparation of the Three-Year Credit Agreement (the "Credit Agreement") dated as of June 1, 1994 among The Perkin-Elmer Corporation, a New York corporation (the "Borrower"), the banks listed on the signature pages thereof (the "Banks") and Morgan Guaranty Trust Company of New York, as Agent (the "Agent"), and have acted as special counsel for the Agent for the purpose of rendering this opinion pursuant to Section 3.01(d) of the Credit Agreement. Terms defined in the Credit Agreement are used herein as therein defined.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, we are of the opinion that:

1. The execution, delivery and performance by the Borrower of the Credit Agreement and the Notes are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action.

2. The Credit Agreement constitutes a valid and binding agreement of the Borrower and each Note constitutes a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York and the federal laws of the United States of America. In giving the foregoing opinion, we express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any

Bank is located which limits the rate of interest that such Bank may charge or collect.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without our prior written consent.

Very truly yours,

EXHIBIT G

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of _____, 19__ among [ASSIGNOR] (the "Assignor"), [ASSIGNEE] (the "Assignee"), THE PERKIN-ELMER CORPORATION (the "Borrower") and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent (the "Agent").

W I T N E S S E T H

WHEREAS, this Assignment and Assumption Agreement (the "Agreement") relates to the Three-Year Credit Agreement dated as of June 1, 1994 among the Borrower, the Assignor and the other Banks party thereto, as Banks, and the Agent (the "Credit Agreement");

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans to the Borrower in an aggregate principal amount at any time outstanding not to exceed $_____;

WHEREAS, Committed Loans made to the Borrower by the Assignor under the Credit Agreement in the aggregate principal amount of $_____ are outstanding at the date hereof; and

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of a portion of its Commitment thereunder in an amount equal to $_____ (the "Assigned Amount"), together with a corresponding portion of its outstanding Committed Loans, and the Assignee proposes to accept assignment of such rights and assume the

corresponding obligations from the Assignor on such terms;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. Assignment. The Assignor hereby assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement to the extent of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the corresponding portion of the principal amount of the Committed Loans made by the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee[, the Borrower and the Agent] and the payment of the amounts specified in Section 3 required to be paid on the date hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Bank under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. Payments. As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them. It is understood that commitment and/or facility fees with respect to the Assigned Amount accrued to the date hereof are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

[SECTION 4. Consent of the Borrower and the Agent. This Agreement is conditioned upon the consent of the Borrower and the Agent pursuant to Section 9.06(c) of

the Credit Agreement. The execution of this Agreement by the Borrower and the Agent is evidence of this consent. Pursuant to Section 9.06(c) the Borrower agrees to execute and deliver a Note payable to the order of the Assignee to evidence the assignment and assumption provided for herein.]

SECTION 5. Non-Reliance on Assignor. The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition, or statements of the Borrower, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Borrower.

SECTION 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By_____
Title:

[ASSIGNEE]

By_____
Title:

THE PERKIN-ELMER CORPORATION

By_____
Title:

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By_____
Title:

CONTRACT

AGREEMENT entered into as of the 29th day of July, 1974 between THE PERKIN-ELMER CORPORATION, a New York corporation having its principal place of business at Norwalk, Connecticut (hereinafter referred to as the "Company") and GAYNOR N. KELLEY of New Canaan, Connecticut (hereinafter referred to as "Kelley" or the "Employee").

WHEREAS, Kelley has rendered the Company valuable services and it is regarded as essential by the Company that it shall have the benefit of his services during future years, and

WHEREAS, it is the desire of the Company to assist him in providing for the contingencies of death and old age dependency, and

WHEREAS, it appears desirable to provide for retirement at an age prior to the current normal retirement age of 65 years in appropriate cases so as to facilitate an orderly succession in senior management positions of the Company,

NOW, THEREFORE, it is hereby mutually agreed as follows:

(1) Should Kelley still be in the employ of the Company at age 65, his normal retirement age, the Company (beginning on a date to be determined by the Company but

within 6 months from such date) will pay him annually for a continuous period of 10 years an amount equal to $8,000.00. Payment of this amount shall be made in quarterly installments on the first days of the fiscal quarters of the Company

Should the Employee be in the employ of the Company at age 65 and thereafter die but before the entire said 10 annual payments have been paid, the unpaid balance of the 10 annual payments will continue to be paid by the Company to the beneficiary.

(2) Should the Employee die before age 65 while in the employ of the Company, the Company (beginning on a date to be determined by the Company but within 6 months from the date of death) will pay annually for a continuous period of 10 years $8,000.00. Payment of this amount shall be made in quarterly installments on the first days of the fiscal quarters of the Company. Payments shall be made to his beneficiary.

(3) If the Employee shall retire on or after age 60 and before age 65, with the written consent or at the request of the Company, payments will be made by the Company in the amount and in the manner provided in Paragraph (1) to commence within 6 months of the date of retirement.

(4) Should the Employee's employment be terminated at any time after the date hereof and prior to his attaining

age 60, with the written consent or by the act of the Company, the Company will make payments in the manner provided in Paragraph (1) to him or his beneficiary commencing at age 60 or the date of his prior death in an amount determined by multiplying the benefit set forth in Paragraph (1) by a fraction, the numerator of which shall be the number of whole months or major part thereof of employment from the date hereof to the date of termination of employment, and the denominator of which shall be the number of whole months or major part thereof from the date hereof to the date he attains age 60.

(5) Unless the Company shall consent in writing, the Employee, if his employment be terminated other than by death or disability or as provided in Paragraphs (3) or (4) prior to his attaining age 65, shall forfeit all right to benefits hereunder and the Company shall have no liability for any payment to the Employee or a beneficiary.

(6) In the event the Employee shall become disabled so that he is unable to perform his duties as an Employee and so that he is entitled to benefits under a long range disability insurance program made available by the Company, or so that he would have been eligible for such benefits had he elected to insure himself thereunder, the Company will make payments as provided in Paragraph (1) above to commence at age 65.

In the event the Employee should die at any time after

becoming disabled and before attaining age 65, payments as provided in this Paragraph (6) will be made to his designated beneficiary commencing as of the date of the Employee's death.

(7) The Company has or may procure a policy or policies of life insurance upon the life of the Employee to aid it in meeting its obligations under this Agreement. It is understood, however, that such policy or policies held by the Company and the proceeds therefrom shall be treated as the general assets of the Company; that they shall in no way represent any vested, secured, or preferred interest of the Employee or his beneficiaries under this Agreement; and that the Company shall be under no obligation either to procure or to continue life insurance in force upon the life of the Employee.

The Employee hereby agrees that he already has or will submit to a physical examination and answer truthfully and completely without mental reservation or concealment any question or request for information by any insurance company in connection with the issuance of any policy procured by the Company under this Paragraph (7). In the event the Employee fails to do so or in the event the Employee dies by suicide, and the liability of the insurer under such policy is restricted as a result of such failure or suicide, then the Company shall thereby be released from all of its

obligations under Paragraph (2) above.

(8) If the Company shall procure any policy or policies of life insurance in accordance with Paragraph (7) above and shall have the option of including in any such policy an accidental death or so-called "double indemnity" provision, the Company will so advise the Employee and if the Employee requests and agrees to pay any additional premium resulting therefrom will include in the policy such accidental death or double indemnity provisions as may be available and will further provide or cause to be provided that any benefit payable under or by reason of such provisions shall be paid as a death benefit to the beneficiary designated by the Employee hereunder; provided that in the event the Employee shall cease to pay such additional premium the Company may cancel any accidental death or double indemnity provision; and further provided that the inclusion of such a provision shall in no way affect the Company's right to cancel or otherwise dispose of the policy, even though such action may have the effect of terminating such provision.

(9) If during a period of 10 years from the termination of his employment by the Company the Employee shall engage in a business competitive with any business activity engaged in by the Company during his period of employment, including without limitation, designing or manufacturing scientific instruments, electro-optical systems, precision optics or electronic devices similar to

or in competition with those produced by the Company or any subsidiary or affiliate thereof; or enter into the service of any organization so engaged in such business (or any subsidiary or affiliate of such an organization), or personally engage in or enter the service of any organization that is engaged in consulting work or research or development or engineering activities for any organization so engaged in such business (or any subsidiary or affiliate of such an organization); then any liability of the Company to make any further payments hereunder shall cease.

The investment of funds by the Employee in securities of a corporation listed on a recognized stock exchange shall not be considered to be a breach of the above paragraph.

(10) The Company may in its sole discretion grant the Employee a leave of absence for a period not to exceed one year during which time the Employee will be considered to be still in the employ of the Company for the purposes of this Agreement.

(11) The Company in its sole discretion and without the consent of the Employee, his estate, beneficiaries or any other person claiming through or under him, may commute any payments which are due hereunder at the rate of 4% per annum to a lump sum and pay such lump sum to the Employee or to the beneficiary or beneficiaries entitled to receive

payment at the date of commutation and such payment shall be a full discharge of the Company's liabilities hereunder. The Company may also in its sole discretion and without the consent of any other person accelerate the payment of any of the sums payable hereunder.

(12) The right to receive payments under this Agreement shall not be assignable nor subject to anticipation, nor shall such right be subject to garnishment, attachment or any other legal process of creditors of the Employee or of any person or persons designated as beneficiaries hereunder except to the extent that this provision may be contrary to law.

(13) This Agreement creates no rights in the Employee to continue in the employ of the Company for any length of time nor does it create any rights in the Employee or obligations on the part of the Company other than those set forth herein.

For purposes of the contract, the work "beneficiary" shall mean the beneficiary or beneficiaries designated in writing by the Employee. The Employee may change a beneficiary at any time by written notice to the Company which shall take effect only on its receipt and acknowledgment in writing by the Company.

(14) If the Company, or any corporation surviving or resulting from any merger or consolidation to which the Company may be a party or to which substantially all the

assets of the Company shall be sold or otherwise transferred, shall at any time be merged or consolidated with or into any other corporation or corporations or shall otherwise transfer substantially all its assets to another corporation, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the corporation surviving or resulting from such merger or consolidation or to which such assets shall be so sold or otherwise transferred. Except as hereinafter provided, this Agreement shall not be assignable by the Company or by the Employee.

This Agreement is solely between the Company and the Employee. The Employee and his beneficiaries designated under Paragraph (2) above shall have recourse only against the Company for enforcement and the Agreement shall be binding upon the beneficiaries, heirs, executors and administrators of the Employee and upon the successors and assigns of the Company.

This Agreement has been made, executed and delivered in the State of Connecticut; and shall be governed in accordance with the laws thereof.

IN WITNESS WHEREOF the parties hereto have set their hands and affixed the seal of the Corporation this 29th day of July 1974.

THE PERKIN-ELMER CORPORATION

By /s/ R. H. Sorensen
President

/s/ Gaynor N. Kelley

Second Amendment to Contract

AMENDED AGREEMENT entered into as of the 20th day of January, 1983, between THE PERKIN-ELMER CORPORATION, a New York corporation having its principal place of business at Norwalk, Connecticut (hereinafter referred to as the "Company"), and Gaynor N. Kelley, of 1801 Ponus Ridge Road, New Canaan, Ct. 06840 (hereinafter referred to as "Employee").

WHEREAS, the Company and Employee have entered into an Agreement, dated as of July 29, 1974 (hereinafter called the "Original Agreement"), providing among other things for the payment of certain compensation to Employee upon his retirement from the Company;

NOW, THEREFORE, it is hereby mutually agreed as follows:

(1) The Original Agreement, as heretofore amended, shall be further amended to add the following paragraph after the second paragraph of Paragraph (1) of the Original Agreement:

"The Employee may elect in writing at any time

prior to his normal retirement date one of the following optional forms of payment in lieu of the normal form of payment set forth above, with the annual value of such optional form of payment being actuarially reduced from such normal form of payment; provided, however, that such optional forms of payment are not available to an Employee in the event he dies or terminates his employment and is covered by paragraphs (2), (4), (5) or (6) of this Agreement;

"Option 1. Reduced annual payments payable during his life with the provision that if he shall not survive a period of ten years, such reduced annual payments shall continue to be paid after the death of the Employee and during the remainder of such ten-year period, to the Beneficiary designated by the Employee in his written notice of election (and, if such Beneficiary shall die during the remainder of such period, then to the estate of such Beneficiary), or if the Employee shall survive such Beneficiary, to the estate of the Employee; or

"Option 2. Reduced annual payments payable during his life, with the provision that after his death such reduced annual payments shall continue during the life of, and shall be paid to, the Beneficiary designated by the Employee in his written notice of election; or

"Option 3. Reduced annual payments payable during his life, with the provision that after his death annual payments equal to 50% of his reduced annual payments shall continue during the life of, and shall be paid to, the Beneficiary designated by the Employee in his written notice of election; or

"Option 4. Reduced annual payments payable to Employee during his life."

(2) All of the other terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed the seal of the Company as of the date first appearing on this Amendment.

ATTEST: THE PERKIN-ELMER CORPORATION

/s/ C. Wendell Bergere, Jr. By /s/ R. H. Sorensen

Assistant Secretary Robert H. Sorensen
Chairman of the Board

ACCEPTED AND AGREED:

/s/ Gaynor N. Kelley

AMENDED AGREEMENT entered into as of the 18th day of August, 1983, between THE PERKIN-ELMER CORPORATION, a New York corporation having its principal place of business at Norwalk, Connecticut (hereinafter referred to as the "Company"), and Gaynor N. Kelley, of 1801 Ponus Ridge Road, New Canaan, Connecticut, 06840 (hereinafter referred to as "Employee").

WHEREAS, the Company and Employee have entered into an Agreement, dated as of July 29, 1974 (hereinafter called the "Original Agreement"), providing among other things for the payment of certain compensation to Employee upon his retirement from the Company;

NOW, THEREFORE, it is hereby mutually agreed as follows:

(1) The Original Agreement, as heretofore amended, shall be further amended to add the following paragraph at the end of Paragraph (5) of the Original Agreement:

"Notwithstanding any other provision of this Agreement, in the event of an involuntary termination of the Employee's employment at any time following a Change in Control (as hereafter defined), payments will be made in the same amount and in the manner provided in Paragraph (1), to commence within 3 months of the

date of such termination. For purposes hereof, (a) the term 'Control' shall have the same meaning as is ascribed thereto in Rule 12b-2(f) of the Rules and Regulations promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, and (b) an event or events constituting a Change in Control of the Company shall be deemed to have occurred on such date as the Company shall file, or shall have become obligated to file, whichever is earlier, a Current Report on Form 8-K describing any such Change in Control of the Company pursuant to Item 1 thereof or indicating that any such Change in Control either is imminent or may have occurred."

(2) All of the other terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed the seal of the Company as of the date first appearing on this Amendment.

ATTEST: THE PERKIN-ELMER CORPORATION

/s/ C. Wendell Bergere, Jr. By /s/ R. H. Sorensen

Assistant Secretary Robert H. Sorensen
Chairman of the Board

ACCEPTED AND AGREED:

/s/ Gaynor N. Kelley
Gaynor N. Kelley

AMENDMENT
TO
DEFERRED COMPENSATION CONTRACT

Amended Agreement entered into as of the 21st day of May, 1987, between THE PERKIN-ELMER CORPORATION, a New York Corporation having its principal place of business at Norwalk, Connecticut (hereinafter referred to as the "Company"), and Gaynor N. Kelley of 1801 Ponus Ridge Road, New Canaan, Connecticut 06840 (hereinafter referred to as the "Employee").

WHEREAS, pursuant to an Agreement entered into as of July 29, 1974 between the Company and the Employee (hereinafter referred to as the "Agreement), the Company agreed to make certain payments to the Employee (or his beneficiary) in the event of the Employee's retirement or death;

NOW, THEREFORE, it is hereby mutually agreed that Paragraph (5) of the Agreement is amended, effective as of the date hereof, by amending the second paragraph thereof in its entirety to read as follows:

Notwithstanding any other provision of this

Agreement, if within three years of a Change in Control the employment of Employee is terminated by the Employee for Good Reason or by the Company without Cause, then the Company will pay Employee the amount referred to in Paragraph (1) of this Agreement within 60 days of such termination of employment. For purposes hereof:

(a) A "Change in Control" shall have occurred if (i) any "person" within the meaning of Section 14(d) of the Securities Exchange Act of 1934 becomes the "beneficial owner" as defined in Rule 13d-3 thereunder, directly or indirectly, of more than 25% of the Company's Common Stock, (ii) any "person" acquires by proxy or otherwise, other than pursuant to solicitations by the Incumbent Board (as hereinafter defined), the right to vote more than 35% of the Company's Common Stock for the election of directors, for any merger or consolidation of the Company or for any other matter or questions, (iii) during any two year period, individuals who constitute the Board of Directors of the Company (the "Incumbent Board") as of the beginning of the period cease for any reason to constitute at least a majority thereof, provided that any person becoming a director during such period whose election or nomination for election by the Company's stockholders was approved by a vote of at least three-quarters of the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination) shall be, for purposes of this clause (iii), considered as though such person were a member of the Incumbent Board, or (iv) the approval by the Company's stockholders of the sale of all or substantially all of the assets of the Company.

(b) Termination by the Company of the employment of the Employee for "Cause" shall mean termination upon (i) the willful and continued failure by the Employee to perform substantially his duties with the Company (other than any such failure resulting from the Employee's incapacity due to physical or mental illness) after a demand for substantial performance is delivered to the employee by the Chairman of the Board or President of the Company which specifically identifies the manner in which such executive believes that the Employee has not substantially performed his duties, or (ii) the willful engaging by the Employee in illegal conduct which is materially and demonstrably injurious to the Company. For purposes of this subparagraph (b), no act, or failure to act, on the

part of the Employee shall be considered "willful" unless done, or omitted to be done, by the Employee in bad faith and without reasonable belief that the Employee's action or omission was in, or not opposed to, the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Company. Notwithstanding the foregoing, the Employee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the employee and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Employee was guilty of the conduct set forth above in (i) or (ii) of this subparagraph (b) and specifying the particulars thereof in detail.

(c) Termination by the employee of employment for "Good Reason" shall mean termination based on:

(i) an adverse change in the status of the Employee (other than any such change primarily attributable to the fact that the Company may no longer be publicly owned) or position(s) as an officer of the Company as in effect immediately prior to the Change in Control, or the assignment to the Employee of any duties or responsibilities which, in his reasonable judgement, are inconsistent with such status or position(s), or any removal of the Employee from or any failure to reappoint or reelect him to such position(s) (except in connection with the termination of the Employee's employment for Cause, total disability or retirement on or after attaining age 65 or as a result of death or by the Employee other than for Good Reason);

(ii) a reduction by the Company in the Employee's base salary as in effect immediately prior to the Change in Control;

(iii) A material reduction in the Employee's total annual compensation; a reduction for any year of over 10% of total compensation measured by the

preceding year without a substantially similar reduction to other executives shall be considered "material"; provided, however, the failure of the Company to adopt or renew a stock option plan or to grant stock options to the Employee shall not be considered a reduction; and

(iv) the Company's requiring the employee to be based more than fifty miles from Norwalk, Connecticut, except for required travel on the Company's business to an extent substantially consistent with the business travel obligations which he undertook on behalf of the Company prior to the change of Control.

All other provisions of the Agreement not amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the year and day first above written.

THE PERKIN-ELMER CORPORATION

By /s/ Horace G. McDonell
Horace G. McDonell
Chairman and
Chief Executive Officer

ATTEST:

By /s/ C. Wendell Bergere, Jr.
C. Wendell Bergere, Jr.
Vice President, General Counsel
and Secretary

ACCEPTED AND AGREED:

/s/ Gaynor N. Kelley
Gaynor N. Kelley

AMENDMENT TO CONTRACT

AMENDMENT entered into as of the 20th day of January, 1994, between THE PERKIN-ELMER CORPORATION, a New York corporation having its principal place of business at Norwalk, Connecticut (hereinafter referred to as the "Company"), and GAYNOR N. KELLEY, of 1801 Ponus Ridge Road, New Canaan, Connecticut 06840 (hereinafter referred to as the "Employee").

WHEREAS, the Company and the Employee have entered into an Agreement, dated as of July 29, 1974 (hereinafter referred to as the "Original Agreement"), as amended, providing, among other things, for the payment of certain compensation to the Employee upon his retirement from the Company.

NOW, THEREFORE, it is hereby mutually agreed as follows:

(1) The Original Agreement, as heretofore amended, shall be further amended to change the amount of "$75,000" set forth in Paragraphs (1) and (2) of the Original Agreement, as so amended, to read "$190,000."

(2) All of the other terms and conditions of the Original Agreement, as heretofore amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed the seal of the Company as of the 20th day of January, 1994.

ATTEST

/s/ William B. Sawch
William B. Sawch
Secretary

THE PERKIN-ELMER CORPORATION

/s/ Riccardo Pigliucci
Riccardo Pigliucci
President

ACCEPTED AND AGREED:

/s/ Gaynor N. Kelley
Gaynor N. Kelley

DEFERRED COMPENSATION CONTRACT

AGREEMENT entered into as of February 18, 1993, between THE PERKIN-ELMER CORPORATION, a New York corporation having its principal place of business at Norwalk, Connecticut (hereinafter referred to as the "Company") and Andre F. Marion, of 556 Kingsley Avenue, Palo Alto, CA 94301 (hereinafter referred to as the "Employee").

WHEREAS, the Employee has rendered valuable service to the Company, and it is regarded as essential by the Company that it shall have the benefit of his services during future years, and

WHEREAS, it is the desire of the Company to assist the Employee in providing for the contingencies of death and old age dependency, and

WHEREAS, it appears desirable to provide for retirement at an age prior to the current normal retirement age of 65 years in appropriate cases so as to facilitate an orderly succession in senior management positions of the Company.

NOW, THEREFORE, it is hereby mutually agreed as follows:

(1) Should the Employee still be in the employ of the Company at age 65, the Company (beginning on a date to be determined by the Company but within 6 months from the Employee's retirement date) will pay him $25,000 each year

for a continuous period of 10 years. Payment of this amount shall be made in quarterly installments on the first day of the fiscal quarters of the Company.

Should the Employee be in the employ of the Company at age 65 and thereafter die before the entire said 10 annual payments have been paid, the unpaid balance of the 10 annual payments will continue to be paid by the Company to that person designated by the Employee in a written notice of election as the Employee's beneficiary hereunder (hereinafter referred to as the "Beneficiary"). The Employee may change such designation at any time by giving the Company written notice of such intent; and such change shall become effective only upon being received and acknowledged by the Company.

If the Beneficiary shall die after receiving benefits under this Agreement and further payments are payable, such further payments shall be paid to the estate of the Beneficiary. If the Employee shall survive the Beneficiary without designating another Beneficiary, any payments hereunder shall be paid to the estate of the Employee.

The Employee may elect in writing at any time prior to his normal retirement date one of the following optional forms of payment in lieu of the normal form of payment set forth above, with the annual value of such optional form of payment being actuarially reduced from such normal form of

payment; provided, however, that such optional forms of payment are not available to an Employee in the event he dies or terminates his employment and is covered by Paragraphs (2), (4), (5), or (6) of this Agreement:

Option 1. Reduced annual payments payable during his life with the provision that if he shall not survive a period of ten years, such reduced annual payments shall continue to be paid after the death of the Employee and during the remainder of such ten-year period to the Beneficiary.

Option 2. Reduced annual payments payable during his life, with the provision that after his death such reduced annual payments shall continue during the life of, and shall be paid to the Beneficiary (provided the Beneficiary survives the Employee).

Option 3. Reduced annual payments payable during his life, with the provision that after his death annual payments equal to 50% of such reduced annual payments shall continue during the life of, and shall be paid to, the Beneficiary (provided the Beneficiary survives the Employee).

Option 4. Reduced annual payments payable to the Employee during his life.

Notwithstanding any contrary provisions herein, the Employee may not change his Beneficiary in Options 2 and 3, above, after the Employee has begun to receive payments

hereunder.

(2) Should the Employee die before age 65 while in the employ of the Company, the Company (beginning on a date to be determined by the Company but within 6 months from the date of death) will pay the Beneficiary $25,000 each year for a continuous period of 10 years. Payment of this amount shall be made in quarterly installments on the first day of the fiscal quarters of the Company.

(3) If the Employee shall retire on or after age 60 and before age 65, with the written consent or at the request of the Company, payments will be made by the Company in the amount and in the manner provided in Paragraph (1) to commence within 6 months of the date of retirement.

(4) Should the Employee's employment be terminated at any time after the date hereof and prior to his attaining age 60, with the written consent or by the act of the Company, the Company will make payments in the manner provided in Paragraph (1) to commence when the Employee attains age 60 or the date of his prior death in an amount determined by multiplying the benefit set forth in Paragraph (1) by a fraction, the numerator of which shall be the number of whole months or major part thereof from the date hereof to the date of termination of employment, and the denominator of which shall be the number of whole months or major part thereof from the date hereof to the date he attains age 60.

(5) Unless the Company shall consent in writing, the Employee, if his employment be terminated other than by death or disability or as provided in Paragraphs (3) or (4) prior to his attaining age 65, shall forfeit all right to benefits hereunder and the Company shall have no liability for any payment to the Employee or the Beneficiary. Notwithstanding any other provision of this Agreement, if within three years of a Change in Control the employment of the Employee is terminated by the Employee for Good Reason or by the Company without Cause, then the Company will pay Employee the amount referred to in Paragraph (1) of this Agreement within 60 days of such termination of employment. For purposes hereof:

(a) A "Change in Control" shall have occurred if (i) any "person" within the meaning of Section 14 (d) of the Securities Exchange Act of 1934 becomes the "beneficial owner" as defined in Rule 13d-3 thereunder, directly or indirectly, of more than 25% of the Company's Common Stock, (ii) any "person" acquires by proxy or otherwise, other than pursuant to solicitations by the Incumbent Board (as hereinafter defined), the right to vote more than 35% of the Company's Common Stock for the election of directors, for any merger or consolidation of the Company or for any other matter or question, (iii) during any two-year period, individuals who constitute the Board of Directors of the Company (the "Incumbent Board") as of the beginning of the period cease for any reason to constitute at least a

majority thereof, provided that any person becoming a director during such period whose election or nomination for election by the Company's stockholders was approved by a vote of at least three-quarters of the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination) shall be, for purposes of this clause (iii), considered as though such person were a member of the Incumbent Board, or (iv) the Company's Stockholders approve the sale of all or substantially all of the assets of the Company.

(b) Termination by the Company of the employment of the Employee for "Cause" shall mean termination upon (i) the willful and continued failure by the Employee to perform substantially his duties with the Company, (other than any such failure resulting from the Employee's incapacity due to physical or mental illness) after a demand for substantial performance is delivered to the employee by the Chairman of the Board or President of the Company which specifically identifies the manner in which such executive believes that the Employee has not substantially performed his duties, or (ii) the willful engaging by the Employee in illegal conduct which is materially and demonstrably injurious to the Company. For purposes of this subparagraph (b), no act or failure to act on the

part of the Employee shall be considered "willful" unless done, or omitted to be done, by the Employee in bad faith and without reasonable belief that the Employee's action or omission was in, or not opposed to, the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Company. Notwithstanding the foregoing, the Employee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Employee a copy of a resolution, duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for that purpose (after reasonable notice to the employee and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Employee was guilty of the conduct set forth in sections (i) or (ii) of this subparagraph (b) and specifying the particulars thereof in detail.

(c) Termination by the employee of employment for "Good Reason" shall mean termination based on:

(i) an adverse change in the status of the Employee (other than any such change primary attributable to the fact

that the Company may no longer be publicly owned) or the Employee's position(s) as an officer of the Company as in effect immediately prior to the Change in Control, or the assignment to the Employee of any duties or responsibilities which, in his reasonable judgement, are inconsistent with such status or position(s), or any removal of the Employee from, or any failure to reappoint or reelect him to, such position(s) (except in connection with the termination of the Employee's employment for Cause, total disability, or retirement on or after attaining age 65 or as a result of death or by the Employee other than for Good Reason);

(ii) a reduction by the Company in the Employee's base salary as in effect immediately prior to the Change in Control;

(iii) A material reduction in the Employee's total annual compensation; a reduction for any year of over 10% of total compensation measured by the preceding year without a substantially similar reduction to other executives shall be considered "material"; provided, however, the failure of the Company to adopt or renew a stock option plan or to grant stock options to the Employee shall not be considered a reduction; and

(iv) the Company's requiring the employee to be more

than fifty miles from Norwalk, Connecticut, except for required travel on the Company's business to an extent substantially consistent with the business travel obligations which he undertook on behalf of the Company prior to the Change in Control.

(6) In the event the Employee shall become disabled so that he is unable to perform his duties as an employee and so that he is entitled to benefits under a long range disability insurance program made available by the Company, or so that he would have been eligible for such benefits had he elected to insure himself thereunder, the Company will make payments as provided in Paragraph (1) above to commence at age 65. In the event the Employee should die at any time after becoming disabled and before attaining age 65, payments as provided in this Paragraph (6) will be made to the Beneficiary commencing as of the date of the Employee's death.

(7) The Company has or may procure a policy or policies of life insurance upon the life of the Employee to aid it in meeting its obligations under this Agreement. It is understood, however, that such policy or policies held by the Company and the proceeds therefrom shall be treated as the general assets of the Company; that they shall in no way represent any vested, secured, or preferred interest of the Employee or his beneficiaries under this Agreement; and that the Company shall be under no obligation either to procure or to continue life insurance in force upon the life of the

Employee.

The employee hereby agrees that he already has or will submit to a physical examination and answer truthfully and completely without mental reservation or concealment any question or request for information by any insurance company in connection with the issuance of any policy procured by the Company under this Paragraph. (7). In the event the Employee fails to do so or in the event the Employee dies by suicide, and the liability of the insurer under such policy is restricted as a result of such failure or suicide, then the Company shall thereby be released from all of its obligations under Paragraph (2) above.

(8) If the Company shall procure any policy or policies of life insurance in accordance with Paragraph (7) above and shall have the option of including in any such policy an accidental death or so-called "double indemnity" provision, the Company will so advise the Employee and, if the Employee requests and agrees to pay any additional premium resulting therefrom, will include in the policy such accidental death or double indemnity provisions as may be available and will further provide or cause to be provided that any benefit payable under or by reason of such provisions shall be paid as a death benefit to the beneficiary designated by the Employee hereunder; provided that in the event the Employee shall cease to pay such additional premium the Company may

cancel any accidental death or double indemnity provision; and further provided that the inclusion of such a provision shall in no way affect the Company's right to cancel or otherwise dispose of the policy, even though such action may have the effect of terminating such provision.

(9) If during a period of 10 years from the termination of his employment with the Company the Employee shall: engage in a business competitive with any business activity engaged in by the Company at any time while he was employed; enter into the service of any organization so engaged in such business (or any subsidiary or affiliate of such an organization); or personally engage in or enter the service of any organization that is engaged in consulting work or research or development or engineering activities for any organization so engaged in such business (or any subsidiary or affiliate of such an organization), then any liability of the Company to make any further payments hereunder shall cease. The investment of funds by the Employee in securities of a corporation listed on a recognized stock exchange shall not be considered to be a breach of this Paragraph.

(10) The Company may in its sole discretion grant the Employee a leave of absence for a period not to exceed one year during which time the Employee will be considered to be still in the employ of the Company for the purposes of this Agreement.

(11) The Company in its sole discretion and without the

consent of the Employee, his estate, his beneficiaries, or any other person claiming through or under him, may commute any payments which are due hereunder at the rate of 4% per annum to a lump sum and pay such lump sum to the Employee or to the beneficiary or beneficiaries entitled to receive payment at the date of commutation, and such payment shall be a full discharge of the Company's liabilities hereunder. The Company may also in its sole discretion and without the consent of any other person accelerate the payment of any of the sums payable hereunder.

(12) The right to receive payments under this Agreement shall not be assignable or subject to anticipation, nor shall such right be subject to garnishment, attachment, or any other legal process of creditors of the Employee or of any person or persons designated as beneficiaries hereunder except to the extent that this provision may be contrary to law.

(13) This Agreement creates no rights in the Employee to continue in the employ of the Company for any length of time nor does it create any rights in the Employee or obligations on the part of the Company other than those set forth herein.

(14) If the Company, or any corporation surviving or resulting from any merger or consolidation to which the Company may be a party or to which substantially all the

assets of the Company shall be sold or otherwise transferred, shall at any time be merged or consolidated with or into any other corporation or corporations or shall otherwise transfer substantially all its assets to another corporation, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the corporation surviving or resulting from such merger or consolidation or to which such assets shall be so sold or otherwise transferred. Except as herein provided, this Agreement. This Agreement is solely between the Company and the Employee. The Employee and his beneficiaries shall have recourse only against the Company for enforcement, and the Agreement shall be binding upon the beneficiaries, heirs, executors, and administrators of the Employee and upon the successors and assigns of the Company.

(15) This Agreement has been made, executed, and delivered in the State of Connecticut; and shall be governed in accordance with the laws thereof.

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed the seal of the Corporation as of the date first written above.

THE PERKIN-ELMER CORPORATION

By: / s / Gaynor N. Kelley
Gaynor N. Kelley
Chairman and President
Chief Executive Officer

ATTEST:

By: / s / C.Wendell Bergere, Jr.

ACCEPTED AND AGREED:

By: / s / A. F. Marion

November 1, 1990

Dear Andre Marion:
In view of your position as a Corporate Senior Manager at Applied Biosystems Inc. (the "Company"), and in consideration of your services in such capacity, the Board of Directors (the "Board") has approved the commitment by the Company to you ("Employee") to provide you with the certain benefits in the event your employment is terminated for specified reasons within two years after a Change of Control. The purpose of this letter agreement (the "Agreement") is to set forth the terms and conditions of the Company's agreement with you concerning such benefits.

1. Termination of Benefits. If within two years after the date of a Change of Control, Employee's employment is terminated (a) by the Company for any reason other than for Cause or Employee's death or Disability or (b) by Employee for Good Reason, Employee will be entitled to receive the following benefits:

1.1 Salary Continuation. The Company will continue to pay Employee salary at the annual rate equal to Employee's Annual Compensation for the number of weeks determined by adding (a) the number of years Employee has been an employee of the Company (rounding up to the next full year and excluding any intervening periods during which Employee was not an employee) or two, if greater, plus (b) two and one-half times the number of $5,000 increments (rounded up to the next $5,000 increment) contained in the Employee's Annual Compensation. Continued salary will be paid to Employee on the Company's regular paydays during the period of salary continuation and will be subject to applicable withholding taxes. If Employee should die before receiving all amounts payable to Employee hereunder, any unpaid amounts will be paid to Employee's spouse, if living, otherwise to Employee's estate. Employee shall be entitled to receive interest on any amount payable hereunder from the date payment was due to the date actually paid at the rate of the lesser of 12% or the highest rate legally permissible. Employee will not be required to mitigate the amount of the payments due to Employee hereunder by seeking other employment or otherwise, and any amount earned by

Employee as the result of employment by another employer or otherwise after the Date of Termination shall not reduce the Company's obligation to Employee hereunder.

1.2 COBRA Benefits. The Company will pay for Employee's health insurance continuation benefits provided for under the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA") and Section 4980B of the Internal Revenue Code of 1986 until the earliest of (a) eighteen months after the Date of Termination, (b) the last payday on which the Company is obligated to make a payment to Employee pursuant to paragraph 1.1 above or (c) the date on which Employee first becomes eligible to participate in another health insurance plan. The insurance continuation benefits paid for hereunder shall be deemed to be part of Employee's COBRA coverage.

1.3 Offset for Other Arrangements. The severance benefits provided hereunder will be reduced by the amount of any payment to which Employee may be entitled under any severance plan or policy of the Company or under any individual severance agreement, employment agreement or offer letter.

2. Notice of Termination. Any termination by the Company for Cause or by Employee for Good Reason shall be communicated by written notice to the other party given by hand delivery or by registered or certified mail, return receipt requested, postage prepaid, if to Employee, then to Employee at his or her address as set forth in the Company's records, and, if to the Company, to Applied Biosystems, Inc., 777 Lincoln Centre Drive, Foster City, California 94404, Attention: Andre F. Marion. Any notices given pursuant to this paragraph 2 shall be effective the earlier of when such notice is actually received by the addressee or three days after such notice is delivered or sent.

3. Definitions.

3.1 "Annual Compensation" means all wages, salary, bonus and other incentive compensation (including commissions) paid by the Company as consideration for Employee's service during the 12 months ended on either the Termination Date or the date of the Change of Control, whichever is greater, which are includable in the gross income of Employee for federal income tax purposes.

3.2 "Cause" means (a) gross or habitual failure to perform assigned duties of Employee's job, that is, performance failure not corrected within thirty (30) days after written notice to Employee thereof or (b) misconduct,

including but not limited to: (i) conviction of a crime, or entry of a plea of nolo contendere with regard to a crime, involving moral turpitude or dishonesty, or (ii) drug or alcohol abuse on Company premises or at a Company sponsored event or reporting to or remaining at work while under the influence of drugs or alcohol, or (iii) conduct by Employee which in the good faith and reasonable determination of the Board demonstrates gross unfitness to serve.

3.3 "Change of Control" shall be deemed to have occurred at any of the following times:

i. Upon the acquisition (other than from the Company) by any person, entity or "group," within the meaning of Section 13(d) (3) or 14(d) (2) of the Securities Exchange Act of 1934 (the "Exchange Act") (excluding, for this purpose, the Company or its affiliates, or any employee benefit plan of the Company or its affiliates which acquires beneficial ownership of voting securities of the Company) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding shares of common stock or the Combined Voting Power; or

ii. At the time individuals who, as of October 31, 1990, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to October 31, 1990 whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of the Plan, considered as though such person were a member of the Incumbent Board; or

iii. Immediately prior to the consummation by the Company of a reorganization, merger, consolidation (in each case, with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of the Combined Voting Power of the reorganized, merged or consolidated company's then

outstanding voting securities) or a liquidation or dissolution of the Company or of the sale of all or substantially all of the assets of the Company; or

iv. The occurrence of any other event which the Incumbent Board in its sole discretion determines constitutes a Change of Control.

3.4 "Combined Voting Power" means the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors.

3.5 "Date of Termination" means the date of receipt of the written notice of termination pursuant to paragraph 2 or any later date specified therein, as the case may be; provided, however, that (1.) if Employee's employment is terminated by the Company other than for Cause or by reason of death or Disability, the Date of Termination shall be the date on which the Company notifies Employee of such termination and (2.) if Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death or determination of Disability pursuant to paragraph 3.6 , as the case may be.

3.6 "Disability" means disability which, at least 26 weeks after its commencement, is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to Employee or Employee's legal representative (such acceptance not to be unreasonably withheld).

3.7 "Good Reason" means (i) reduction of Employee's base salary or rate of compensation as in effect immediately prior to the Change of Control, (ii) failure to continue in effect any medical, dental, accident or disability plan in which Employee is entitled to participate immediately prior to the Change of Control and failure to provide plans with substantially similar benefits (except that employee contributions may be raised to the extent of any cost increases imposed by third parties) or any action by the Company which would adversely affect Employee's participation or reduce Employee's benefits under any of such plans, (iii) failure or refusal of the successor company to assume the Company's obligations under this Agreement, as required by paragraph 5 or (iv) breach by the Company or any successor company any of the provisions of this Agreement.

4. Nonexclusivity. Nothing in this Agreement shall

prevent or limit Employee's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices provided by the Company and for which Employee may otherwise qualify, nor shall anything herein limit or otherwise affect such rights as any Employee may have under any stock option or other agreements with the Company. Except as otherwise expressly provided herein, amounts which are vested benefits or which Employee is otherwise entitled to receive under any plan, policy, practice or program of the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program.

5. Successor to Company. The Company shall require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all the business or assets of the Company, expressly and unconditionally to assume and agree to perform the Company's obligations under this Agreement, in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. In such event, the term "Company," as used in this Agreement, shall mean the Company as hereinafter defined and any successor or assignee to the business or assets which by reason hereof becomes bound by the terms and provisions of this Agreement.

6. Certain Reduction of Payments.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be nondeductible by the Company for Federal income tax purposes because of Section 280G of the Code, then the aggregate present value of amounts payable or distributable as severance benefits hereunder shall be reduced to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of such severance benefits without causing any Payment to be nondeductible by the Company because of Section 280G of the Code. Anything to the contrary notwithstanding, if the Reduced Amount is zero and it is determined further that any Payment which is not part of the severance benefits payable hereunder would nevertheless be nondeductible by the Company for Federal income tax purposes because of Section 280G of the Code, then the aggregate present value of Payments which are not severance benefits under this Agreement shall also be reduced (but not below zero) to an amount expressed in

present value which maximizes the aggregate present value of Payments without causing any payment to be nondeductible by the Company because of Section 280G of the Code. For purposes of this paragraph 6, present value shall be determined in accordance with Section 280G(d) (4) of the Code.

(b) All determinations required to be made under this paragraph 6 shall be made by the Company's independent auditors which shall provide detailed supporting calculations both to the Company and Employee within 15 business days of the Date of Termination or such earlier time as is requested by the Company and an opinion to Employee that he or she has substantial authority not to report any excise tax on his Federal income tax return with respect to any Payments. Any such determination by the Company's independent auditors shall be binding upon the Company and Employee. Employee shall determine which and how much of the Payments, shall be eliminated or reduced consistent with the requirements of this paragraph 6, provided that, if Employee does not make such determination within ten business days of the receipt of the calculations made by the Company's independent auditors, the Company shall elect which and how much of the Payments shall be eliminated or reduced consistent with the requirements of this paragraph 6 and shall notify Employee promptly of such election. Within five business days thereafter, the Company shall pay to or distribute to or for the benefit of Employee such amounts as are then due to Employee under this Agreement.

(c) As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Company's independent auditors hereunder, it is possible that Payments will have been made by the Company which should not have been made ("Overpayment") or that severance benefits payable hereunder will not have been made by the Company which could have been made ("Underpayment"), in each case, consistent with the calculations required to be made hereunder. In the event that the Company's independent auditors, based upon the assertion of a deficiency by the Internal Revenue Service against Employee or the Company which the Company's independent auditors believe has a high probability of success, determine that an Overpayment has been made, any such Overpayment paid or distributed by the Company to or for the benefit of Employee shall be treated for all purposes as a loan ab initio to Employee which Employee shall repay to the Company together with interest at the applicable federal rate provided for in Section 7872(f) (2) of the Code; provided, however, that no such loan shall be

deemed to have been made and no amount shall be payable to the Company if and to the extent such deemed loan and payment would not either reduce the amount on which Employee is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Company's independent auditors, based upon controlling precedent or other substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of Employee together with interest at the applicable federal rate provided for in Section 7872(f) (2) of the Code.

7. Amendments and Termination. The Incumbent Board may from time to time supplement, amend or terminate this Agreement or make any other provisions which the Company may deem necessary or desirable, without the approval of Employee; provided, however, that from and after such time there has been a Change of Control, this Agreement shall not be amended in any manner which would adversely affect the interests of Employee without the written consent of Employee. Subject to the foregoing, this Agreement establishes and vests in Employee a contractual right to the benefits to which Employee is entitled hereunder, enforceable by Employee against the Company. The form of any proper amendment or termination of this Agreement shall be a written instrument signed by a duly authorized officer or officers of the Company certifying that the amendment or termination has been approved by the Incumbent Board.

8. Miscellaneous.

8.1 Employment Status. This Agreement does not constitute a contract of employment or impose on Employee or the Company any obligation to retain Employee as an employee, to change the status of Employee's employment, or to change the Company's policies regarding termination of employment.

8.2 No Assignment. No benefit hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void.

8.3 Governing Law. This Agreement shall be governed by the laws of the State of California.

8.4 Expenses of Suit. In the event of any dispute or litigation between the Company and the Employee arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and expenses incurred in connection with the enforcement of its rights hereunder.

8.5 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

8.6 Descriptive Headings. Descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Please acknowledge your agreement to the foregoing agreement by signing the enclosed counterpart of this letter and returning it to the Company.

Very truly yours,

APPLIED BIOSYSTEMS, INC.

/s/ A. F. Marion
Andre F. Marion
Chairman of the Board
Chief Executive Officer

AGREED;

/S/ A. F. Marion

December 3, 1992

Dear Andre Marion:

Pursuant to a letter dated November 1, 1990 (the "Severance Benefit Letter") between you ("Employee") and Applied Biosystems, Inc., a California corporation (the

"Company"), the Company has agreed to provide you with certain benefits in the event that your employment is terminated for specified reasons within two years after a Change of Control. We now wish to make certain amendments to that letter. Certain capitalized terms not otherwise defined herein shall have the meaning given them in the Severance Benefit Letter.

Recitals. The Company has entered into an Agreement and Plan of Merger, dated as of October 6, 1992, by and among the Company, The Perkin-Elmer Corporation ("Perkin-Elmer") and a wholly owned subsidiary of Perkin-Elmer (the "Merger Agreement"), providing for a merger ("Merger") following which the Company will become a wholly owned subsidiary of Perkin-Elmer. In consideration for and as an inducement to Employee's agreement to the provisions of Section 1(b), the Company is willing to agree to the provisions of Section 1(a).

1. Amendments.

a. Paragraph 3.7 of the Severance Benefit Letter is hereby amended in its entirety to read as follows:

> "Good Reason" means (i) reduction of Employee's base salary or rate of compensation as in effect immediately prior to the Change of Control, (ii) failure to continue to provide any medical, dental, accident or disability benefits that are no less favorable in the aggregate than the benefits provided to Employee immediately prior to the Change of Control (except that employee contributions may be raised to the extent of any cost increases imposed by third parties), (iii) failure or refusal of the successor company to assume the Company's obligations under this Agreement, as required by paragraph 5, (iv) breach by the Company or any successor company of any of the provisions of this Agreement, or (v) change of Employee's principal place of employment to a location more than 50 miles from Employee's principal place of employment on the date hereof without the consent of Employee.

b. New paragraph 8 is added as follows:

> Conditions to Payment of Salary Continuation Benefits. Payment of benefits pursuant to Sections 1.1 and 1.2 shall be conditioned upon (i) Employee not, directly or indirectly, during the period in which Employee is receiving salary continuation benefits pursuant to Section 1.1, without the written consent of

Perkin-Elmer, becoming a principal, partner, shareholder owning more than 5%, director, officer, employee, agent or consultant of a company or other business entity whose principal business is the development, manufacturing, marketing, sale or lease of instrument systems or associated consumable products, including reagents, for life science research, (ii) Employee not, during the period in which Employee is receiving salary continuation benefits pursuant to Section 1.1, without the written consent of Perkin-Elmer, becoming a principal, partner, shareholder owning more than 5%, director, officer, employee, agent or consultant in a part of a business not covered by clause (i) where Employee's primary work responsibility involves the development, manufacturing, marketing, sale or lease of instrument system or associated consumable products, including reagents, for life science research, and (iii) Employee not directly or indirectly interfering with an customer or supplier relationship of Perkin-Elmer's or the Company's, or solicit or assisting anyone to solicit in any way any employee of Perkin-Elmer or the Company to resign or sever employment, or to breach an employment contract with Perkin-Elmer or the Company. In the event that Employee shall at any time during the period in which Employee is receiving salary continuation benefits pursuant to Section 1.1 fail to meet the condition to payment of benefits set forth in the preceding sentence, then the Company shall, effective as of the date on which Employee fails to meet such condition, have no further obligation to make any payments pursuant to Sections 1.1 or 1.2.

and the subsequent paragraph is renumbered accordingly.

2. Governing Law. This letter shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its conflict of laws principles or rules.

3. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall constitute an original copy hereof, but all of which together shall constitute one agreement.

4. Full Force and Effect. Except to the extent expressly provided in this letter, the terms and provisions of the Severance Benefit Letter shall remain in full force and effect.

The undersigned duly authorized officer of the Company

hereby certifies that, the amendments to the Severance Benefit Letter contained herein have been approved by the Incumbent Board.

If you are in agreement with the foregoing, please so indicate by signing and returning one copy of this letter by the end of business on December 11, 1992, which will constitute our agreement with respect to the matters set forth herein.

Very truly yours,

APPLIED BIOSYSTEMS, INC.

By: /s/ A. F. Marion

Name: Andre F. Marion

CONFIRMED AND AGREED TO:

Andre Marion

CONSULTING AGREEMENT

The undersigned agrees to serve as a consultant to The Perkin-Elmer Corporation upon the following terms:

1. A. Fee: $15,000/year payable $3,750 quarterly
   B. Term: 4/1/94 - 3/31/95
   C. Reporting Relationship: Riccardo Pigliucci
   D. Field of Consultancy: Membership on the ACE Board and other general management consulting services.

2. You are free to do work for others and yourself during the time which you do not devote to our projects and your duties under this Agreement will not interfere nor be in conflict with any government rules or regulations or your duties to other parties; however, you agree to promptly notify Perkin-Elmer if and when you perform work related to the work to be performed under this Agreement for any third parties who compete or may compete with Perkin-Elmer. All work which results from performance of services under this agreement shall belong exclusively to Perkin-Elmer.

3. You agree to keep us fully informed of any scientific advances you may make during the term of this Agreement which result from, or are suggested by, any work you may do for Perkin-Elmer. Any inventions, patentable developments, copyrightable materials and designs arising out of any such work are hereby assigned to Perkin-Elmer without further compensation, and you agree to cooperate in obtaining patents and copyrights thereon. Any work of authorship created under this Agreement shall constitute a "work for hire", when so defined by the Copyright Act, and as to any work not so defined, Consultant hereby transfers to Perkin-Elmer any and all right, title and interest Consultant may have in and to the copyright in such work. You agree not to disclose to others, without Perkin-Elmer's permission, either during or after the term of this Agreement, any scientific development, trade secret or manufacturing technique of Perkin-Elmer which is not generally known to the public. Prior to publication, you will make available for review all disclosures, written contributions to periodicals and scientific papers concerning or referring to the subject matter within the purview of this Agreement.

4. You agree that: proprietary information of Perkin-Elmer will remain the trade secret and confidential property of Perkin-Elmer and will be held by you in secrecy and confidence; you will not use it for any purpose other than

performance of assigned tasks under this Consulting Agreement; you will not make any record or copy of any proprietary information; and that upon the request of Perkin-Elmer or the termination of your Consulting Agreement, whichever occurs first, you will return all material furnished to you by Perkin-Elmer.

Your obligations of confidentiality under this Agreement will not extend to any information that (a) is known to you at the date of this Agreement from a source other than one having an obligation of confidentiality to Perkin-Elmer, (b) hereafter becomes known to you independently of the disclosure by Perkin-Elmer except from a source having an obligation of non-disclosure to Perkin-Elmer, or (c) becomes publicly known as by public use or by publication or otherwise ceases to be secret or confidential through no fault of yours.

5. Nothing in this Agreement will be construed as granting you any license, for any purpose, under any patent or other intellectual property rights of Perkin-Elmer. As a basis for payment, you will submit on the tenth of each month an invoice showing the number of hours of service during the previous month requested by your Reporting Relationship and actually performed, a brief statement of work done by project, and the amount due you. It is not expected that it will be necessary for Perkin-Elmer to provide any special facilities or supplies for your use, although you will be reimbursed for supplies and for expenses in connection with traveling which is requested in advance and authorized in writing by your Reporting Relationship. Either party may terminate this Agreement without cause at anytime upon five (5) days prior written notice. Thereafter, neither party shall have any further obligation under this Agreement except for the obligations relating to confidentiality and assistance in obtaining patents and copyrights.

If the foregoing arrangements are satisfactory, please sign below.

THE PERKIN-ELMER CORPORATION

BY: / s / Riccardo Pigliucci

ACCEPTED AND AGREED:

/ s / Robert H. Hayes
NAME: Robert H. Hayes

SS Number: ###-##-####

ADDRESS: 53 Cedar Road
Belmont, Massachusetts 02178

DATE: March 17, 1994

Reviewed, and Approved,
Office of the General Counsel:

BY: / s / William B. Sawch

PERKIN-ELMER

The Perkin-Elmer Corporation
761 Main Avenue
Norwalk, CT 06859-0199

CONSULTING AGREEMENT

The undersigned agrees to serve as a consultant to The Perkin-Elmer Corporation upon the following terms:

A. Fee: $1,750.00 per day (Consultant will make himself available at least 7 days per month as requested by Perkin-Elmer).
B. Term: February 1, 1995 to January 31, 1996, renewable.
C. Reporting Relationship: Riccardo Pigliucci
D. Field of Consultancy: Evaluation, design and communication of business objectives, organization, policies, values and missions. Related and other projects requested by my Reporting Relationship.

2. You are free to do work for others and yourself during the time which you do not devote to our projects and your duties under this Agreement will not interfere nor be in conflict with any government rules or regulations or your duties to other parties; however, you agree to promptly notify Perkin-Elmer if and when you perform work related to the work to be performed under this Agreement for any third parties who compete or may compete with Perkin-Elmer. All work which results from performance of services under this agreement shall belong exclusively to Perkin-Elmer.

3. You agree to keep us fully informed of any scientific advances you may make during the term of this Agreement which result from, or are suggested by, any work you may do for Perkin-Elmer. Any inventions, patentable developments, copyrightable materials and designs arising out of any such work are hereby assigned to Perkin-Elmer without further compensation, and you agree to cooperate in obtaining patents and copyrights thereon. Any work of authorship created under this Agreement shall constitute a "work for hire", when so defined by the Copyright Act, and as to any work not so defined, Consultant hereby transfers to Perkin-Elmer any and all right, title and interest Consultant may have in and to the copyright in such work. You agree not to disclose to others, without Perkin-Elmer's permission, either during or after the term of this Agreement, any scientific development, trade secret or manufacturing

technique of Perkin-Elmer which is not generally known to the public. Prior to publication, you will make available for review all disclosures, written contributions to periodicals and scientific papers concerning or referring to the subject matter within the purview of this Agreement.

4. You agree that: proprietary information of Perkin-Elmer will remain the trade secret and confidential property of Perkin-Elmer and will be held by you in secrecy and confidence; you will not use it for any purpose other than performance of assigned tasks under this Consulting Agreement; you will not make any record or copy of any proprietary information; and that upon the request of Perkin-Elmer or the termination of your Consulting Agreement, whichever occurs first, you will return all material furnished to you by Perkin-Elmer.

Your obligations of confidentiality under this Agreement will not extend to any information that (a) is known to you at the date of this Agreement from a source other than one having an obligation of confidentiality to Perkin-Elmer, (b) hereafter becomes known to you independently of the disclosure by Perkin-Elmer except from a source having an obligation of non-disclosure to Perkin-Elmer, or (c) becomes publicly known as by public use or by publication or otherwise ceases to be secret or confidential through no fault of yours.

5. Nothing in this Agreement will be construed as granting you any license, for any purpose, under any patent or other intellectual property rights of Perkin-Elmer. As a basis for payment, you will submit on the tenth of each month an invoice showing the number of hours of service during the previous month requested by your Reporting Relationship and actually performed, a brief statement of work done by project, and the amount due you. It is not expected that it will be necessary for Perkin-Elmer to provide any special facilities or supplies for your use, although you will be reimbursed for supplies and for expenses in connection with traveling which is requested in advance and authorized in writing by your Reporting Relationship and you will be provided with office space in Perkin-Elmer's San Jose, CA facility and support services in connection with work hereunder. Either party may terminate this Agreement without cause at anytime upon five (5) days prior written notice. Thereafter, neither party shall have any further obligation under this Agreement except for the obligations relating to confidentiality and assistance in obtaining patents and copyrights.

If the foregoing arrangements are satisfactory, please sign below.

THE PERKIN-ELMER CORPORATION

BY: /s/ Riccardo Pigliucci

ACCEPTED AND AGREED:

/s/ A. F. Marion
NAME: Andre Marion

SS Number: ###-##-####

ADDRESS: 556 Kingsley Avenue
Palo Alto, CA 94301

DATE: September 16, 1994

Reviewed, and Approved,
Office of the General Counsel:

BY:

THE PERKIN-ELMER CORPORATION
COMPUTATION OF NET INCOME(LOSS) PER SHARE
(Dollar amounts in thousands, except per share amounts)

<TABLE>

<CAPTION>	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
Weighted average number of common shares	43,857	43,780	43,526	42,091	49,705
Common stock equivalents-stock options	816	1,173	1,169	-	130
Weighted average number of common shares used in calculating primary earnings per share	44,673	44,953	44,695	42,091	49,835
Additional dilutive stock options under paragraph #42 APB #15	172	97	280	-	-
Shares used in calculating fully diluted earnings per share	44,845	45,050	44,975	42,091	49,835
Calculation of primary and fully diluted earnings per share:					
PRIMARY AND FULLY DILUTED:					
Income (loss) from continuing operations	$ 73,978	$ 24,444	$ 24,296	$ (16,384)	$ 27,697
Income (loss) from discontinued operations	(22,851)	1,714	10,941	(2,020)	20,913
Income (loss) before cumulative effect of changes in accounting principles	51,127	26,158	35,237	(18,404)	48,610
Cumulative effect on prior years of changes in accounting principles	-	(83,098)	-	-	-
Net income (loss) used in the calculations of primary and fully diluted earnings per share	$ 51,127	$ (56,940)	$ 35,237	$ (18,404)	$ 48,610
PRIMARY:					

Per share amounts:					
Income (loss) from continuing operations	$ 1.66	$ .54	$ .54	$ (.39)	$ .56
Income (loss) from discontinued operations	(.52)	.04	.25	(.05)	.42
Income (loss) before cumulative effect of changes in accounting principles	1.14	.58	.79	(.44)	.98
Loss from cumulative effect on prior years of changes in accounting principles	-	(1.85)	-	-	-
Net income (loss)	$ 1.14	$ (1.27)	$ .79	$ (.44)	$ .98
FULLY DILUTED: Per share amounts:					
Income (loss) from continuing operations	$ 1.65	$ .54	$ .54	$ (.39)	$ .56
Income (loss) from discontinued operations	(.51)	.04	.24	(.05)	.42
Income (loss) before cumulative effect of changes in accounting principles	1.14	.58	.78	(.44)	.98
Loss from cumulative effect on prior years of changes in accounting principles	-	(1.84)	-	-	-
Net income (loss)	$ 1.14	$ (1.26)	$ .78	$ (.44)	$ .98

</TABLE>

EXHIBIT 11

<TABLE>

<CAPTION>

(Dollar amounts in thousands except per share amounts) For the years ended	June 30, 1994 (a)	June 30, 1993 (b)	July 31, 1992 (c)	July 31, 1991 (d)	July 31, 1990
<S>	<C>	<C>	<C>	<C>	<C>
Financial Operations					
Net revenues	$ 1,024,467	$ 1,011,297	$ 970,054	$ 893,499	$ 849,005
Operating costs and expenses	928,451	967,836	907,490	892,174	796,625
Operating income	96,016	43,461	62,564	1,325	52,380
Income (loss) before income taxes	89,132	43,929	49,283	(10,389)	41,713
Income (loss) from continuing operations	73,978	24,444	24,296	(16,384)	27,697
Cumulative effect on prior years of changes in accounting principles (net of income taxes)		(83,098)			
Net income (loss)	51,127	(56,940)	35,237	(18,404)	48,610
Income (loss) per share from continuing operations	1.66	.54	.54	(.39)	.56
Loss per share from cumulative effect on prior years of changes in accounting principles		(1.85)			
Net income (loss) per share	1.14	(1.27)	.79	(.44)	.98
Financial Position					
Working capital	$ 136,400	$ 100,929	$ 140,456	$ 116,802	$ 162,514
Property, plant and equipment, at cost	329,076	352,767	362,840	351,607	324,562
Total assets	884,500	851,070	948,953	898,248	923,067
Long-term debt	34,270	7,069	67,011	65,881	65,356
Shareholders' equity	290,432	306,605	429,007	411,034	448,919
Other Data					
Orders	$ 1,048,350	$ 995,379	$ 983,568	$ 914,409	$ 855,079
Dividends per share	.68	.68	.68	.68	.68
Average common shares including equivalents where dilutive (in thousands)	44,673	44,953	44,695	42,091	49,835
Shareholders	9,115	9,728	10,483	11,487	13,079
Employees	5,954	6,563	6,632	6,797	6,996

</TABLE>

(a) Includes a $22.9 million after-tax charge for discontinued operations (see Note 2).

(b) Includes $41.0 million in one-time charges in connection with the merger with ABI and an $83.1 million charge representing the cumulative effect of adopting SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," SFAS 112, "Employers' Accounting for Postemployment Benefits" and SFAS 109, "Accounting for Income Taxes." Prior years were not restated for SFAS 106, 112 or 109 (see Notes 2, 4 and 5).

(c) Includes $22.0 million in charges related to product line discontinuance and facility relocation, as well as a $3.3 million gain on the sale of a joint venture (see Notes 2 and 10).

(d) Includes a $50.2 million charge related to the consolidation of manufacturing, engineering and marketing functions worldwide.

Management's Discussion and Analysis

Management's Discussion of Operations

The following discussion should be read in conjunction with the Consolidated Financial Statements and related notes included on pages 26 through 43. Historical results and percentage relationships are not necessarily indicative of operating results for any future periods.

During fiscal 1994, The Perkin-Elmer Corporation (PE or the Company) sold its Applied Sciences Operation (ASO) in the first quarter and its Physical Electronics Division (PHI) as of March 31, 1994. Both product lines were sold for approximately net book value.

On February 18, 1993, the shareholders of PE and Applied Biosystems, Inc. (ABI) approved the merger of PE and ABI. The transaction was accounted for as a pooling of interests (see Note 2).

On July 29, 1993, the Company announced its plans to divest its Material Sciences business segment. Consequently, the Material Sciences segment is presented in the accompanying Consolidated Financial Statements as a discontinued operation (see Note 2).

Effective June 30, 1993, the Company changed its fiscal year end from July 31 to June 30. Prior to fiscal 1993, the financial statements of ABI and PE's subsidiaries outside the United States were for fiscal years ended June 30, while PE's domestic operations reported on a July 31 year end. Fiscal 1993, therefore, includes PE's domestic operations for eleven months compared with a full year for fiscal years 1994 and 1992.

Results of Continuing Operations

Consolidated net revenues were $1,024.5 million in fiscal 1994, up $13.2 million from $1,011.3 million in fiscal 1993. The Company sold ASO during the first quarter of fiscal 1994 and PHI as of the end of the third quarter. The effect of selling these two business units decreased net revenues by $37 million compared with the prior year. Currency effects, primarily from the stronger U.S. dollar compared to the major European currencies, decreased net revenues approximately $25 million in the current year when compared with fiscal 1993. Strong worldwide demand for life science products, especially Polymerase Chain Reaction (PCR) - related instruments and consumables and DNA sequencers, increased revenues $53.5 million (including the unfavorable effects of currency) in fiscal 1994 and offset slower demand experienced in traditional analytical instrument product lines. As previously mentioned, fiscal 1993's net revenues for domestic operations included only eleven months of results because of the change in the Company's fiscal year end. Management estimates that this decreased net revenues by approximately $35 million.

Fiscal 1993 consolidated net revenues of $1,011.3 million were up 4.3% from $970.1 million in fiscal 1992. The increase of $41.2 million in fiscal 1993 was attributed to strong worldwide demand for the Company's life science products, especially DNA sequencers, PCR-related instruments and consumables, and liquid chromatography mass spectrometry instrument systems. The effects from foreign currency translation added approximately $5 million to net revenues for fiscal 1993.

Net revenues by geographic area

(Dollar amounts in millions)	1994	1993	1992
United States	$ 417.8	$ 404.5	$ 412.2
Europe	362.6	420.4	395.2
Far East	195.3	144.5	120.1
Other Countries	48.8	41.9	42.6
	$ 1,024.5	$1,011.3	$970.1

The previously mentioned change in year end and the loss of ASO and PHI revenues approximately offset each other in the U.S. on a year-to-year comparison of fiscal 1994 to fiscal 1993. The U.S., Far East and Latin American markets improved during fiscal 1994 as demand for life science products increased. Net revenues in the Far East increased 35% from year to year showing improvement in both traditional analytical instrument products (organic and inorganic product lines) and life science products. This is indicative of the emerging markets in this region. In the Far East, the Company used selective pricing strategies throughout the year in analytical instrument product lines to generate higher unit sales volumes in the current fiscal year. Latin America showed a 17% increase year to year as sales were strong in all analytical instrument product lines. In Europe, the continued recessionary environment and strong competition resulted in sales at a lower level than the prior year.

During fiscal 1993, net revenues in the United States decreased $7.7 million primarily because of the change in fiscal year end, offset somewhat by increased sales in life science products. European sales were higher in fiscal 1993, increasing 6.4% over fiscal 1992, as a result of higher unit prices. Instrument sales in the Far East were strong during fiscal 1993 as a result of increased demand for large scale DNA products and increased sales of thermal analysis and atomic absorption instrument systems. Net revenues in the Far East benefited from the establishment of several direct sales offices in emerging markets.

Consolidated gross margin as a percentage of net revenues was 48% in fiscal 1994 compared with 47% in fiscal 1993 and 46% in fiscal 1992. Gross margins are traditionally lower in the U.S. than overseas due to keen domestic competition and favorable pricing in Europe for specific product offerings. The improvement in gross margin in fiscal 1994 resulted from a more favorable product mix worldwide. The more favorable product mix was caused by sales of higher margin life science products in the U.S. and the Far East and the decrease in sales of lower margin products resulting from the divestitures of ASO and PHI. The increase in life science revenues in the Far East, yielding improved gross margins, helped offset lower margins resulting from the poor economic conditions in Europe and the aforementioned pricing strategies used in the Far East for analytical instruments. The increase from fiscal 1992 to 1993 was primarily attributed to higher sales volumes of life science products.

Consolidated selling, general and administrative expenses

(SG&A) decreased $8.8 million or 3% in fiscal 1994. Favorable currency effects during fiscal 1994 accounted for approximately $7 million of the decrease. Higher marketing expenses of approximately $6 million in the Far East, primarily related to the life science business, were offset by reduced marketing expenses of approximately $8 million in Europe during fiscal 1994. Also, fiscal 1993 included a $3 million one-time charge to reduce the value of certain receivables due from customers in Eastern Bloc countries.

The increase in fiscal 1993 of $22.2 million was attributed to the aforementioned writedown of receivables, higher marketing expenses resulting from the establishment of direct sales offices in the Far East, expansion of marketing activities in the Company's life science markets and currency effects from the weaker U.S. dollar during the first half of the year.

Consolidated research, development and engineering expenses (R&D) were $94.2 million in fiscal 1994, an increase of 12% over the prior year, and $83.8 million in fiscal 1993, an increase of 3% over fiscal 1992. The Company has increased its investment in R&D, primarily in life science programs, which accounts for the higher spending in fiscal 1994.

In fiscal 1993, the increase of $2.5 million was the result of higher spending on R&D efforts in the biotechnology field.

Other. In connection with the ABI merger, the Company recorded one-time charges in the third quarter of fiscal 1993 of $12.5 million for transaction costs and $28.5 million to combine operations of the two companies. The transaction costs included expenses for investment banker and professional fees. The costs to combine operations included provisions for streamlining marketing and distribution arrangements, consolidation of field sales and service offices worldwide, relocation of certain product lines and key personnel and severance-related costs. During fiscal 1994, approximately $17 million in costs was incurred. The balance primarily represents severance and facilities-related costs which are expected to be paid over the next two fiscal years. Accordingly, the impact on working capital in future years is expected to be minimal.

In fiscal 1992, the Company and Hoffmann-La Roche Inc. formed a strategic alliance to market and develop PCR technology used in the amplification of DNA. Under the terms of the agreement, the Company sold its 51% interest in the Perkin-Elmer Cetus Instruments joint venture. The transaction resulted in a one-time before-tax gain of $3.3 million (see Note 2 for further discussion).

Based upon a strategic assessment of its markets, in fiscal 1992 ABI recorded a $22 million charge to write down goodwill and other intangibles and to provide for costs of closing a small European operation and a manufacturing facility in San Jose, California. This restructuring was substantially completed in fiscal 1993 (see Note 10).

Consolidated operating income for fiscal 1994 was $96.0 million compared to $43.5 million in fiscal 1993 and $62.6 million in fiscal 1992. Operating income was affected in fiscal 1993 and 1992 by the aforementioned merger and restructuring costs.

Consolidated interest expense was $7.1 million in fiscal 1994 compared with $13.1 million in fiscal 1993 and $19.9 million in fiscal 1992. The decrease of $6 million in fiscal 1994 was primarily the result of reduced borrowing levels and lower interest rates. The decrease of $6.8 million in fiscal 1993 was a result of lower interest rates, lower average commercial paper borrowings, repayment of long-term debt and the reclassification of interest expense on tax claims to income tax expense. This reclassification was made in connection with the adoption of SFAS No. 109, "Accounting for Income Taxes."

Consolidated interest income was $2.4 million in fiscal 1994 compared with $7.5 million in fiscal 1993 and $10.1 million in fiscal 1992. During fiscal 1993, the Company owned a 7% promissory note from F. Hoffmann-La Roche Ltd. which was sold in June 1993. The sale of this note accounted for most of the decrease in interest income in fiscal 1994. In addition, two sub-

ordinated long-term notes receivable totaling $3.7 million were repaid in connection with the sale of the Company's minority equity investment in MRJ Inc. during the second quarter of this year (see Note 2).

The lower interest income in fiscal 1993, when compared with the prior year, was the result of a reduction in long-term notes receivable. During fiscal 1992, higher interest income resulted from accrued interest on the note received as partial consideration for the sale of an equity investment (see Note 2).

Consolidated other income (expense), net was expense of $2.1 million in fiscal 1994 compared with income of $6.1 million in fiscal 1993 and expense of $3.5 million in fiscal 1992. In fiscal 1993, other income included the gain of $8.5 million from the sale of a promissory note from F. Hoffmann-La Roche Ltd., and higher joint venture income which was partially offset by a $5 million charge to reduce the carrying value of certain unoccupied properties. Fiscal 1994 included higher miscellaneous nonoperating expenses than fiscal 1993. The

increased other income in fiscal 1993 over the prior year was the result of the aforementioned events in fiscal 1993, as well as lower net realized exchange losses.

The consolidated effective income tax rate was 17% for fiscal 1994 compared with 44% for fiscal 1993 and 51% in fiscal 1992. The prior year's results included one-time charges of $41.0 million related to the merger with ABI, which were not fully deductible for tax purposes, resulting in a higher tax rate. During the first quarter of fiscal 1994, the Company received a favorable ruling from the U.S. Tax Court upholding the Company's pricing method on intercompany sales with respect to its operations in Puerto Rico. Resolution of this long-standing dispute with the U.S. government and the additional tax benefits realized from the inclusion of ABI results for a full year also reduced the Company's effective tax rate for fiscal 1994 when compared with the prior year. Together with other information about the income tax provision, an analysis of the differences between the U.S. federal statutory rate and the effective rate can be found in Note 4.

Discontinued Operations (see Note 2)

Loss from discontinued operations in fiscal 1994 includes the after-tax settlement of $15.2 million related to the Hubble Space Telescope mirror and the anticipated loss on disposal of the Company's Material Sciences segment. During fiscal 1994, the Company entered into an agreement with Sulzer Inc., a wholly-owned subsidiary of Sulzer, Ltd., Winterthur, Switzerland, for the sale of the Material Sciences segment. The completion of the sale is subject to closing conditions, including obtaining relevant government regulatory approvals. The transaction has taken longer to complete than expected due primarily to obtaining necessary government approvals in both the U.S. and Europe. As a result of this and negative operating factors, the Company recorded an after-tax loss on disposal of $7.7 million during the fourth quarter of fiscal 1994.

Income (loss) from discontinued operations in fiscal 1993 and 1992 includes the results of the Company's Material Sciences segment and Lynx Therapeutics, Inc., a discontinued operation of ABI.

Management believes that divesting its Material Sciences business will allow the Company to concentrate on growth opportunities in its core business of analytical instruments. This will allow the Company to focus its financial and operational resources in one industry segment: the development, manufacture, marketing, sales and service of analytical instrument systems. As disclosed in Note 2, Material Sciences profits declined from fiscal 1992 to fiscal 1994. This was primarily related to the weakness and extended downturn in the aircraft turbine engine market and significant downsizing that has occurred in the airline industry in recent years. In addition, in fiscal 1994, operations were adversely affected by the protracted negotiations with the potential buyer and regulatory authorities.

Changes in Accounting Principles. In fiscal 1993, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," No. 109, "Accounting for Income Taxes" and No. 112, "Employers' Accounting for Postemployment Benefits." SFAS Nos. 106 and 112 require the accrual method of accounting for the related costs (see Note 5). SFAS No. 109 supersedes SFAS No. 96 and, among other things, changes the criteria for recognition and measurement of deferred tax assets (see Note 4).

As a result of adopting the new accounting standards as of August 1, 1992, a one-time, after-tax charge of $83.1 million was recorded. This represented the cumulative effect of the changes on fiscal years prior to 1993.

Foreign Currency. It is the Company's policy to reduce substantially the effects of fluctuations in foreign currency exchange rates associated with future cash flows through its exposure management and foreign currency hedging activities. The Company enters into foreign exchange forward contracts and foreign exchange option contracts to hedge the risk of changes in foreign currency rates associated with certain assets and obligations denominated in foreign currencies. The foreign exchange options permit but do not require the Company to exchange foreign currencies at a future date with another party at a contracted exchange rate. The foreign exchange contracts are accounted for as hedges of net investments, firm commitments, and foreign currency transactions. Gains and losses on hedges of net investments are reported as equity adjustments from translation on the balance sheet. The gains and losses on hedges of firm commitments are deferred and included in the basis of the transaction underlying the commitment. Gains and losses on transaction hedges are recognized in income and offset the foreign exchange gains and losses on the related transaction. Management believes any reasonably likely change in the level of underlying major currencies being hedged will not have a material adverse effect on the financial statements.

Management's Discussion of Financial Resources and Liquidity

This discussion of financial resources and liquidity focuses on the Statements of Financial Position (page 27) and the Statements of Cash Flows (page 28).

Statements of Financial Position

bullet Cash and short-term investments are primarily cash, cash equivalents, time deposits and certificates of deposit with original maturity dates of three months to one year (short-term investments). Cash and short-term investments were $25.0 million at June 30, 1994 and $30.3 million at June 30, 1993.

bullet PE's current accounts receivable of $231.6 million at June 30, 1994 increased by $13.3 million over June 30, 1993. An estimated $8.5 million was due to the effects of currency translation. The balance at June 30, 1993 included $12.4 million of accounts receivable with respect to the operations of PHI and ASO which were sold during fiscal 1994. Increased fourth quarter sales of analytical instruments in fiscal 1994 accounted for the remaining increase year to year.

bullet Inventories were $201.4 million at June 30, 1994 compared with $179.1 million a year ago. The effects of currency translation accounted for approximately $7 million of the increase. The balance at June 30, 1993 included $12.8 million of inventory with respect to the divested operations of PHI and ASO. Orders for analytical instruments in the fourth quarter of this year outpaced sales in every geographic region. The primary reason for the higher inventories was an increase in manufacturing to support the higher backlog at June 30, 1994.

bullet Prepaid expenses and other current assets increased to $56.7 million at June 30, 1994 from $47.3 million a year ago. The increase in prepaid expenses and other current assets of $9.4 million was primarily because of increased taxes receivable and royalties receivable.

bullet Net property, plant and equipment (PP&E) was $149.1 million at June 30, 1994 compared with $162.7 million a year ago. PP&E consists primarily of investments for productive use. The net decrease of $13.6 million primarily resulted from the sales of PP&E of $14.4 million for ASO and PHI and reclassifications of assets held for sale, which were partially offset by capital spending during fiscal 1994.

bullet Total other long-term assets increased from $152.7 million at June 30, 1993 to $164.5 million at June 30, 1994. Other long-term assets primarily consist of marketable securities maturing beyond one year, goodwill, investments in affiliated companies, deferred tax assets and other long-term assets. The primary reason for the increase in long-term assets was higher assets held for sale and a note receivable for $7.2 million received as partial consideration for the sale of PHI.

bullet Accounts payable increased approximately $7 million at June 30, 1994 compared with the prior year. This resulted from higher purchases to support production as previously discussed.

bullet Other accrued expenses decreased approximately $11 million. The decrease resulted primarily from funding merger-related costs of $17 million and the reclassification of pension liabilities from current to long-term. This was partially offset by an increase in deferred service revenues. The reclassification of pension liabilities was the result of anticipated funding requirements in the U.S. for fiscal 1995.

bullet Total borrowings on a consolidated basis aggregated $117.8 million at June 30, 1994 compared with $81.1 million at the end of fiscal 1993. The Company's debt to total capitalization was 29% at June 30, 1994 compared with 21% at June 30, 1993. The increase in total borrowings of $36.7 million in fiscal 1994 was primarily the result of PE's funding of merger-related costs, settlement of potential claims related to the Hubble Space Telescope mirror and the Company's stock repurchase program. In accordance with existing Board authorizations, the Company purchased approximately 1.8 million shares of PE common stock during fiscal 1994.

bullet Other long-term liabilities were $181.5 million at June 30, 1994 compared with $163.4 million at the end of fiscal 1993. The increase was primarily the result of higher pension and postretirement benefit liabilities.

PE has consistently maintained a strong financial position and conservative capital structure. Management believes that the Company's financial resources and liquidity remain strong and adequate to meet ongoing operational and financial commitments.

Statements of Cash Flows

The Statements of Cash Flows depict cash flows by three broad categories: operating activities, investing activities and financing activities.

Operating activities are the principal source of PE's cash flows. Investments in property, plant and equipment represent the Company's ongoing investing activity. Major ongoing financing activities include payment of dividends to shareholders and transactions surrounding the Company's various stock plans. PE's capital expenditures for fiscal 1994 approximated $34 million compared with $28 million for fiscal 1993 and $31 million for fiscal 1992.

PE's cash and cash equivalents aggregated $25 million at June 30, 1994 compared with $28.6 million at the end of fiscal 1993. Net cash provided by operating activities was $37 million for the year ended June 30, 1994 compared with $66.4 million at the end of fiscal 1993 and $71.5 million at the end of fiscal 1992. Fiscal 1994 included approximately $15 million paid to settle potential claims related to the Hubble Space Telescope mirror and $17 million to fund combination costs related to the merger with ABI. The Company generated $32 million in additional borrowings, $31.9 million from the sale of businesses and assets and $17.4 million from the exercise of Company stock options. During the year, the Company invested approximately $34 million in capital expenditures, paid $30 million in dividends to shareholders and repurchased approximately $60 million of PE's common stock. Purchases of common stock were made to support the Company's various stock plans and additional shares were repurchased under the existing Board authorization. Capital spending commitments as of June 30, 1994 were not significant.

Outlook

Inflation and changing prices are continually monitored. The Company attempts to minimize the impact of inflation by improving productivity. When operating costs increase, the Company generally recovers such costs by increasing, over time, the price of its products and services. The Company believes that the effects of inflation have been appropriately managed and therefore have not had a material impact on its operations or financial position.

Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities," is required to be implemented no later than fiscal 1995. The Company believes adoption of the standard, at this time, will not have a material impact on its financial statements.

The global economic and political outlook for 1995 has uncertainties. PE is subject to these economic uncertainties in key markets around the world. However, management believes that the Company has been strengthened by its merger with ABI and will benefit from its decision to divest its Material Sciences business and concentrate on growth opportunities for analytical instrument systems. Expectations for the remainder of this calendar year are being impacted by the protracted economic downturn in the European analytical instrument markets and the uncertain climate for environmental and pharmaceutical customers in the United States. In the longer term, the Company is encouraged by the accelerating pace of biotechnology advances which it hopes will translate into demand for its life science systems. The Company is also optimistic about the gradual upturn of global analytical instrument markets. Management believes that PE's global businesses and strong financial condition combine to position the Company to deal effectively with the uncertainties and to benefit from any improvements in the economy in fiscal 1995.

CONSOLIDATED STATEMENTS OF OPERATIONS The Perkin-Elmer Corporation

<TABLE>

<CAPTION>

(Dollar amounts in thousands except per share amounts) For the years ended	June 30, 1994	June 30, 1993	July 31, 1992
<S>	<C>	<C>	<C>
Net revenues	$ 1,024,467	$ 1,011,297	$ 970,054
Cost of sales	535,178	535,137	521,737
Gross margin	489,289	476,160	448,317
Selling, general and administrative	299,101	307,852	285,672
Research, development and engineering	94,172	83,847	81,381
Costs to combine operations		28,500	
Transaction costs		12,500	
Gain on sale of joint venture			(3,300)
Provision for restructured operations			22,000
Operating income	96,016	43,461	62,564
Interest expense	7,145	13,139	19,859
Interest income	2,382	7,468	10,073
Other income (expense), net	(2,121)	6,139	(3,495)
Income before income taxes	89,132	43,929	49,283
Provision for income taxes	15,154	19,485	24,987
Income from continuing operations	73,978	24,444	24,296
Income (loss) from discontinued operations (net of income taxes)	(22,851)	1,714	10,941
Income before cumulative effect of changes in accounting principles	51,127	26,158	35,237
Cumulative effect on prior years of changes in accounting			

principles for:			
Postretirement benefits other than pensions (net of income taxes of $0)		(88,847)	
Income taxes		19,929	
Postemployment benefits (net of income taxes of $800)		(14,180)	
Net income (loss)	$ 51,127	$ (56,940)	$ 35,237
Per share amounts:			
Income from continuing operations	$ 1.66	$ .54	$ .54
Income (loss) from discontinued operations	(.52)	.04	.25
Income before cumulative effect of changes in accounting principles	1.14	.58	.79
Loss from cumulative effect on prior years of changes in accounting principles		(1.85)	
Net income (loss)	$ 1.14	$ (1.27)	$ .79

</TABLE>
See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION The Perkin-Elmer Corporation

<TABLE>

<CAPTION>

(Dollar amounts in thousands) At June 30,	1994	1993
<S>		
Assets		
Current Assets	<C>	<C>
Cash and cash equivalents	$ 25,003	$ 28,582
Short-term investments		1,749
Accounts receivable, less allowances for doubtful accounts of $7,247 ($8,226 - 1993)	231,564	218,236
Inventories	201,436	179,082
Prepaid expenses and other current assets	56,695	47,275
Total current assets	514,698	474,924
Property, Plant and Equipment, net	149,071	162,689
Other Assets		
Other long-term assets	164,524	152,735
Net assets of discontinued operations	56,207	60,722
Total other assets	220,731	213,457
Total Assets	$ 884,500	$ 851,070
Liabilities and Shareholders' Equity		
Current Liabilities		
Loans payable	$ 83,552	$ 73,982
Accounts payable	73,221	66,172
Accrued salaries and wages	41,809	43,350
Accrued taxes on income	38,073	38,056
Other accrued expenses	141,643	152,435
Total current liabilities	378,298	373,995
Long-Term Debt	34,270	7,069
Other Long-Term Liabilities	181,500	163,401

Commitments and Contingencies (see Note 11)		
Shareholders' Equity		
Capital stock		
Preferred stock $1 par value: shares authorized 1,000,000; none issued		
Common stock $1 par value: shares authorized 90,000,000 - 1994, 60,000,000 - 1993; shares issued 45,599,755 - 1994 and 1993	45,600	45,600
Capital in excess of par value	178,739	178,739
Retained earnings	181,130	163,861
Cumulative translation adjustments	5,521	(3,931)
Minimum pension liability	(36,259)	(31,859)
Treasury stock, at cost (shares: 1994 - 2,651,049; 1993- 1,655,766)	(84,299)	(45,805)
Total shareholders' equity	290,432	306,605
Total Liabilities and Shareholders' Equity	$ 884,500	$ 851,070

</TABLE>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS The Perkin-Elmer Corporation

<TABLE>

(Dollar amounts in thousands) For the years ended	June 30, 1994	June 30, 1993	July 31, 1992
Operating Activities	<C>	<C>	<C>
Income from continuing operations	$ 73,978	$ 24,444	$ 24,296
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	42,679	41,304	46,624
Restricted stock amortization		717	1,030
Deferred income taxes	1,750	5,679	1,159
Costs to combine operations and transaction costs		41,000	
Gain on sale of joint venture			(3,300)
Provision for restructured operations			22,000
Changes in operating assets and liabilities:			
Increase in accounts receivable	(21,527)	(4,240)	(34,254)
(Increase) decrease in inventories	(25,360)	(6,889)	1,944
(Increase) decrease in prepaid expenses and other assets	(15,043)	16,922	32,214
Increase (decrease) in accounts payable and other liabilities	2,973	(56,505)	(29,751)
Divestitures	(6,934)	4,003	9,559
Legal settlement	(15,550)		
Net Cash Provided by Operating Activities	36,966	66,435	71,521
Investing Activities			
Additions to property, plant and equipment (net of disposals of $2,185, $3,264 and $6,877, respectively)	(32,327)	(25,114)	(23,821)
Marketable securities and short-term investments	1,778	8,409	3,645
Proceeds from sale of assets	31,850	53,412	
Investment in Lynx Therapeutics, Inc.		(9,581)	
Other, net	(930)	(1,429)	(4,132)
Net Cash Provided (Used) by Investing Activities	371	25,697	(24,308)
Financing Activities			
Proceeds from long-term borrowings	26,992	32	
Principal payments on long-term debt	(1,886)	(60,707)	(4,375)
Net change in loans payable	5,053	(19,982)	(8,893)
Dividends paid	(29,813)	(26,417)	(23,013)
Purchase of treasury stock	(59,615)	(14,012)	(15,282)
Stock issued for stock plans, net of cancellations	17,426	17,685	16,071
Net Cash Used by Financing Activities	(41,843)	(103,401)	(35,492)
Effect of Exchange Rate Changes on Cash	927	(3,255)	1,886

Net Change in Cash and Cash Equivalents	(3,579)	(14,524)	13,607
Cash and Cash Equivalents beginning of year	28,582	43,106	29,499
Cash and Cash Equivalents end of year	$ 25,003	$ 28,582	$ 43,106

</TABLE>
See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY The Perkin-Elmer Corporation
<TABLE>

<CAPTION>

(Dollar amounts and shares in thousands)	Common Stock $1.00 Par Value	Capital In Excess Of Par Value	Retained Earnings	Cumulative Translation Adjustments	Minimum Pension Liability	Treasury Stock At Cost	Treasury Stock Shares
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at July 31, 1991	$ 45,084	$ 167,770	$ 246,227	$ 2,774	$ (6,018)	$ (44,803)	(1,866)
Net income			35,237				
Cash dividends			(23,013)				
Purchase of treasury stock						(15,282)	(510)
Shares issued under stock plans	149	2,760	(1,525)			14,644	600
Required minimum pension liability (unfunded accumulated benefits)					(9,573)		
Restricted stock plan amortization and cancellations		1,073					
Translation adjustments				13,503			
Balance at July 31, 1992	$ 45,233	$ 171,603	$ 256,926	$ 16,277	$ (15,591)	$ (45,441)	(1,776)
Net loss			(56,940)				
Cash dividends			(26,417)				
Lynx Therapeutics, Inc. stock distribution			(6,959)				
Purchase of treasury stock						(14,012)	(443)
Shares issued under stock plans	367	6,419	(2,749)			14,597	602
Required minimum pension liability (unfunded accumulated benefits)					(16,268)		
Restricted stock plan amortization and withholdings		717				(949)	(39)
Translation adjustments				(20,208)			
Balance at June 30, 1993	$ 45,600	$ 178,739	$ 163,861	$ (3,931)	$ (31,859)	$ (45,805)	(1,656)
Net income			51,127				
Cash dividends			(29,813)				
Lynx Therapeutics, Inc. stock distribution			(350)				
Purchase of treasury stock						(59,615)	(1,841)
Shares issued under stock plans			(3,695)			21,121	846
Required minimum pension liability (unfunded accumulated benefits)					(4,400)		
Translation adjustments				9,452			
Balance at June 30, 1994	$ 45,600	$ 178,739	$ 181,130	$ 5,521	$ (36,259)	$ (84,299)	(2,651)

</TABLE>

See accompanying notes to consolidated financial statements.

Note 1 Accounting Policies and Practices
Principles of Consolidation. The consolidated financial statements include the accounts of all majority-owned subsidiaries of The Perkin-Elmer Corporation (PE or the Company), reflect the acquisition of Applied Biosystems, Inc. (ABI) as a pooling of interests and present the Company's Material Sciences segment as a discontinued operation (see Note 2). Effective June 30, 1993, the Company changed its fiscal year end from July 31 to June 30. Prior to fiscal 1993, the financial statements of ABI and PE's subsidiaries outside the United States were for fiscal years ended June 30, while PE's domestic operations reported on a July 31 fiscal year end. Fiscal 1993, therefore, includes PE's

domestic operations for eleven months. The fiscal 1993 Consolidated Statement of Operations has been reclassified to reflect a $3.0 million charge to reduce the value of receivables due from Eastern Bloc countries, previously included as other expense, as an operating expense.

Investments. The Company uses the equity method of accounting for its investments in 50% or less owned joint ventures. Investments in which PE's ownership is less than 20% are carried at cost. The Company is required to implement SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," no later than fiscal year 1995. This statement requires investments in equity securities that have readily determinable fair values and all investments in debt securities to be classified in three categories: (1) held-to-maturity securities, which are reported at amortized cost; (2) trading securities, which are reported at fair value with unrealized gains and losses included in earnings; and (3) available-for-sale securities, which are reported at fair value with unrealized gains and losses excluded from earnings and reported as a separate component of shareholders' equity. The Company believes adoption of the standard, at this time, will not have a material impact on its financial statements.

Changes in Accounting Principles. During fiscal 1993, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," No. 109, "Accounting for Income Taxes" and No. 112, "Employers' Accounting for Postemployment Benefits." SFAS Nos. 106 and 112 require the accrual method of accounting for the related costs (see Note 5). SFAS No. 109 supersedes SFAS No. 96 and, among other things, changes the criteria for recognition and measurement of deferred tax assets (see Note 4).

As a result of adopting the new accounting standards as of August 1, 1992, a one-time, after-tax charge of $83.1 million was recorded in fiscal 1993. This represented the cumulative effect of the changes on fiscal years prior to 1993.

Cash, Short-Term Investments and Marketable Securities. Cash equivalents consist of highly liquid debt instruments, time deposits and certificates of deposit with original maturities of three months or less. Time deposits and certificates of deposit with original maturities of three months to one year are classified as short-term investments. Short-term investments and marketable securities are valued at cost which approximates market. Long-term marketable securities were $7 million at June 30, 1994 and 1993, and are included in other long-term assets (see Note 13).

Foreign Currency. Assets and liabilities of foreign operations, where the functional currency is the local currency, are translated into U.S. dollars at the fiscal year end exchange rate. The related translation adjustments are recorded as cumulative translation adjustments, a separate component of shareholders' equity. Revenues and expenses are translated using average exchange rates prevailing during the year. Foreign currency transaction gains and losses, as well as translation adjustments for assets and liabilities of foreign operations where the functional currency is the dollar, are included in net income (loss). Foreign currency realized and unrealized gains and losses for the years presented were not material.

It is the Company's policy to reduce substantially the effects of fluctuations in foreign currency exchange rates associated with future cash flows through its exposure management and foreign currency hedging activities. The Company enters into foreign exchange forward contracts and foreign exchange option contracts to hedge the risk of changes in foreign currency rates associated with certain assets and obligations denominated in foreign currencies. The foreign exchange options permit but do not require the Company to exchange foreign currencies at a future date with another party at a contracted exchange rate. The foreign exchange contracts are accounted for as hedges of net investments, firm commitments, and foreign currency transactions. Gains and losses on hedges of net investments are reported as equity adjustments from translation on the balance sheet. The gains and losses on hedges of firm commitments are deferred and included in the basis of the transaction underlying the commitment. Gains and losses on transaction hedges are recognized in income (loss) and offset the foreign exchange gains and losses on the related transaction.

The forward contracts and options contain an element of risk that the counterparties may be unable to meet the terms of the agreements. However, the Company minimizes such risk exposure for forward contracts and options by limiting the counterparties to major international banks and financial institutions. Management does not expect to record any losses as a result of counterparty default. The Company does not require or place collateral for these financial instruments.

Inventories. Inventories are stated at the lower of cost (on a first-in, first-out basis) or market. Inventories at June 30, 1994 and 1993 included the following components:

(Dollar amounts in millions)	1994	1993
Raw materials and supplies	$ 24.9	$ 27.9
Work-in-process	22.4	25.4
Finished products	154.1	125.8
Total	$201.4	$179.1

Property, Plant and Equipment and Depreciation. Property, plant and equipment are stated at cost and at June 30, 1994 and 1993 consisted of the following:

(Dollar amounts in millions)	1994	1993
Land	$ 20.8	$ 27.9
Buildings and leasehold improvements	124.6	131.2
Machinery and equipment	183.7	193.7
Property, plant and equipment, at cost	329.1	352.8
Accumulated depreciation and amortization	180.0	190.1
Property, plant and equipment, net	$149.1	$162.7

Major renewals and improvements that significantly add to productive capacity or extend the life of an asset are capitalized. Repairs, maintenance and minor renewals and improvements are expensed when incurred.

Provisions for depreciation of owned property, plant and equipment are based upon the expected useful lives of the assets and computed primarily by the straight-line method. Leasehold improvements are amortized over their estimated useful lives or the term of the applicable lease, whichever is less, using the straight-line method. Fixed assets leased under capital leases were not material for the years presented.

Intangible Assets. The excess of purchase price over the net asset value of companies acquired is amortized on a straight-line method over periods not exceeding 40 years. Patents and trademarks are amortized using the straight-line method over their expected useful lives. The accumulated amortization of intangibles at June 30, 1994 and 1993 was $22.5 million and $17.6 million, respectively.

Amortization of Software Development Costs. Capitalized software development costs are amortized based upon the greater of the straight-line method over the estimated economic life or the ratio of current gross revenues to total expected gross revenues for the product. The amounts recorded in the financial statements are not material.

Income Taxes. PE intends to permanently reinvest substantially all of the undistributed earnings of its foreign subsidiaries. In those instances where the Company expects to remit earnings, the effect on the results of operations, after considering available tax credits and amounts previously accrued, would not be significant.

Revenues. PE recognizes revenues when products are shipped or services are rendered. Amounts billed for service contracts are credited to deferred service contract income and reflected in net revenues over the term of the contract. The balance of deferred service contract income included in other accrued expenses at June 30, 1994 and 1993 was $37.3 million and $30.7 million, respectively.

Research, Development and Engineering. Research, development and engineering expenditures are expensed when incurred.

Net Income (Loss) Per Share. Net income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares and dilutive common stock equivalents outstanding. Common stock equivalents include stock options. The difference between weighted average shares for primary and fully diluted net income (loss) per share was not significant for the years presented.

Supplemental Cash Flow Information. SFAS No. 95, "Statement of Cash Flows," requires disclosure of noncash investing and financing activities excluded from the Consolidated Statements of Cash Flows and amounts paid in cash for interest and income taxes.

The following is a statement of supplemental cash flow information for fiscal years ended 1994, 1993 and 1992:

(Dollar amounts in millions)	1994	1993	1992
Interest	$ 7.0	$12.5	$14.4
Income taxes	$16.1	$18.5	$13.7
Noncash investing and financing activities:			
Note receivable from sale of assets (see Note 2)	$ 7.2		
Acquisition of preferred stock for common stock and a note receivable (see Note 2)			$17.0
Acquisition of note receivable for Payment-in-Kind			

preferred stock (see Note 2)			$ 5.8
Acquisition of purchased technology payable in future periods			$ 3.2
Lynx Therapeutics, Inc. stock distribution	$ .4	$ 7.0	
Minimum pension liability	$ 4.4	$16.3	$ 9.6

Other. During fiscal 1993, because of the continued softness in the commercial real estate market, the Company reduced the carrying value of certain unoccupied properties by $5 million. This charge is included in other income (expense), net in the Consolidated Statement of Operations.

Note 2 Mergers and Divestitures

Merger with Applied Biosystems, Inc. On February 18, 1993, the shareholders of PE and ABI approved the merger of PE and ABI. Under the terms of the agreement, ABI shareholders received .678 of a share of the Company's common stock for each ABI share. Accordingly, the Company issued 10.2 million shares of its common stock for all the outstanding shares of ABI common stock. Additionally, outstanding options to acquire ABI common stock were converted to options to acquire 1.5 million shares of the Company's common stock. ABI, founded in 1981, is a leading supplier of automated systems for life science research and related applications. ABI develops, manufactures and markets systems, instruments and associated chemicals used to purify, analyze, interpret results and synthesize biological molecules such as DNA, RNA and proteins.

The merger qualified as a tax-free reorganization and was accounted for as a pooling of interests. Accordingly, the Company's financial statements include the results of ABI for all periods presented.

Combined and separate results of PE and ABI during the periods preceding the merger were as follows (in millions):

Six months ended January 31, 1993 (unaudited)	PE	ABI	Adjustment	Combined
Net revenues	$420.2	$100.9		$521.1
Net income (loss)	$(54.5)	$ 5.7		$(48.8)
Fiscal year ended July 31, 1992				
Net revenues	$788.3	$181.8		$970.1
Net income (loss)	$ 58.8	$(15.9)	$(7.7)	$ 35.2

The combined financial results presented above include adjustments made to conform accounting policies of PE and ABI. The only adjustment impacting net income was the restatement of ABI's provision for income taxes from the accounting methods prescribed by SFAS No. 109, to the methods prescribed by SFAS No. 96, which was used by PE prior to fiscal 1993. All other adjustments were reclassifications to conform financial statement presentation. Intercompany transactions between the two companies for the periods presented were not material.

In connection with the merger, the Company recorded one-time charges in the third quarter of fiscal 1993 for transaction costs ($12.5 million) and to reflect the costs to combine operations of the two companies ($28.5 million). The transaction costs include expenses for investment banker and professional fees. The costs to combine operations include provisions for streamlining marketing and distribution arrangements, consolidation of field sales and service offices worldwide, relocation of certain product lines and key personnel, and severance-related costs. Amounts included in other accrued expenses related to costs to combine operations at June 30, 1994 and 1993, were $9.6 million and $26.4 million, respectively.

Discontinued Operations

Legal Settlement. During the first quarter of fiscal 1994, the Company paid $15.5 million to settle potential claims related to the Hubble Space Telescope mirror. This amount, which included legal costs, resulted in an after-tax charge of $15.2 million and is recorded in discontinued operations. In 1989, the Company had sold the unit which performed the work on the telescope to a subsidiary of Hughes Aircraft Company.

Material Sciences Segment. On July 29, 1993, the Company announced its plans to divest its Material Sciences segment which consists of the Company's Metco division (Metco) headquartered in Westbury, New York. Metco produces combustion, electric arc and plasma thermal spray equipment and supplies. The Company has entered into an agreement with Sulzer Inc., a wholly-owned subsidiary of Sulzer, Ltd., Winterthur, Switzerland, for the sale of Metco. The completion of the sale is subject to closing

conditions, including receipt of relevant government regulatory approvals. The transaction has taken longer to complete than expected due primarily to obtaining necessary government approvals in both the U.S. and Europe. As a result of this and negative operating factors, the Company recorded an after-tax loss on disposal of $7.7 million during the fourth quarter of fiscal 1994.

The net assets and operating results of Metco are presented in the accompanying consolidated financial statements as a discontinued operation.

Lynx Therapeutics, Inc. On October 5, 1992, prior to its merger with PE, ABI announced the decision to distribute to its shareholders approximately 82% of the stock of its subsidiary, Lynx Therapeutics, Inc. (Lynx). The accompanying Consolidated Statements of Operations reflect the Lynx operating results as a discontinued operation. The net assets of Lynx were not significant.

Summary results of the aforementioned discontinued operations were as follows:

(dollar amounts in millions) For the years ended	June 30, 1994	June 30, 1993	July 31, 1992
Net revenues		$106.7	$122.9
Costs and expenses		103.2	108.0
Provision for income taxes		.2	2.9
Income from discontinued operations - Metco prior to the measurement date		3.3	12.0
Loss on disposal of Metco including a provision of $5.0 for operating losses during the phase-out period (less applicable income taxes of $.8)	$ (7.7)		
Loss from discontinued operations (net of income taxes of $(.2) in 1993, $.7 in 1992) - Lynx		(1.6)	(1.1)
Legal settlement (less applicable income taxes of $.3)	(15.2)		
Income (loss) from discontinued operations	$(22.9)	$ 1.7	$10.9

The net assets of Metco have been segregated in the June 30, 1994 and 1993 Consolidated Statements of Financial Position and are summarized below:

(Dollar amounts in millions)	1994	1993
Assets:		
Accounts receivable, net	$25.6	$27.1
Inventories	26.3	28.3
Other current assets	1.2	1.2
Property, plant and equipment, net	20.1	19.6
Other long-term assets	3.9	4.1
Total Assets	77.1	80.3
Liabilities:		
Accounts payable	5.3	4.1
Other accrued expenses	3.1	4.0
Other current liabilities	3.5	5.3
Long-term liabilities	4.3	3.3
Total Liabilities	16.2	16.7
Cumulative translation adjustments	4.7	2.9
Net Assets	$56.2	$60.7

Divestitures. During the first quarter of fiscal 1994, the Company sold the net assets of its Applied Science Operation to Orbital Sciences Corporation. The Company received cash proceeds of $600,000 and 320,000 shares of Orbital Sciences Corporation common stock which were subsequently disposed of in the second quarter of fiscal 1994 for proceeds of approximately $5 million. During the second quarter of fiscal 1994, the Company sold its minority equity investment in MRJ, Inc. to MRJ Group, Inc. for $3.3 million in cash. In addition, two subordinated notes due from MRJ, Inc. were repaid to the Company. During the fourth quarter of fiscal 1994, the Company completed the sale of its Physical Electronics Division (PHI) to the management of PHI and Chemical Venture Partners. The unit, which was sold for approximately net book value, manufactures and markets surface analysis equipment primarily used for thin-film characterization by chemical analysis. The Company received cash proceeds of $23 million and a 10% interest-bearing note with a face value of $7.2 million in connection with the sale. The gains and losses from the aforementioned divestitures were not significant to the Company's results of operations.

Other. In June of fiscal 1992, PE acquired 10,000 shares of Silicon Valley Group preferred stock in exchange for its minority interest in SVG Lithography, Inc. (SVGL) (2 million shares of SVGL common stock), and an SVGL note receivable maturing on May 1, 1995, representing an aggregate purchase price of $17 million. The investment in preferred stock is included in other long-term assets in the Consolidated Statements of Financial Position. In July of fiscal 1992, the Company sold to ETEC its senior Payment-in-Kind preferred stock with a liquidation value of $6 million in exchange for $250,000 in cash and a senior subordinated note valued at approximately $5.8 million. The note is included in other long-term assets.

Sale of Joint Venture. On December 11, 1991, PE and Hoffmann-La Roche Inc. formed a strategic alliance to market and develop the Polymerase Chain Reaction (PCR) technology used in the amplification of DNA. Under the terms of the agreement, the Company sold its 51% interest in the noninstrument PCR assets of the Perkin-Elmer Cetus Instruments joint venture to Hoffmann-La Roche Inc. The agreement provides for PE to remain the exclusive distributor of all PCR products in the nondiagnostic markets for Hoffmann-La Roche Inc. The Company received a 7% promissory note from F. Hoffmann-La Roche Ltd., in the amount of $45 million and royalty payments based on the net revenues of future sales for PCR products. The transaction resulted in a one-time before-tax gain of $3.3 million in fiscal 1992. In June of fiscal 1993, the Company completed the sale of the 7% promissory note. This transaction resulted in a one-time pretax gain of $8.5 million included in other income (expense), net in the Consolidated Statement of Operations for fiscal 1993.

Note 3 Debt and Lines of Credit

Loans payable and long-term debt at June 30, 1994 and 1993 are summarized below:

(Dollar amounts in millions)	1994	1993
Loans payable, United States:		
Commercial paper	$15.8	$17.1
Notes payable, banks		18.5
Current maturities of long-term debt		.1
	15.8	35.7
Loans payable, Foreign:		
Notes payable, banks	65.9	36.6
Current maturities of long-term debt	1.9	1.7
	67.8	38.3
Total loans payable	$83.6	$74.0
Long-term debt:		
3.255% Yen term loan maturing in fiscal 1997	$28.4	
Yen denominated bank notes with maturities through fiscal 2005	5.7	$ 6.9
Other	.2	.2
Total long-term debt	$34.3	$ 7.1

The weighted average interest rates at June 30, 1994 and 1993 for bank borrowings were 6.2% and 6.3%, respectively, and 4.5% and 3.2%, respectively, for commercial paper borrowings.

On June 1, 1994, the Company entered into a $150 million credit facility consisting of a $50 million 364 day revolving credit agreement and a $100 million three year revolving credit agreement. The facility supports commercial paper issued by the Company in the United States and working capital financing requirements. Commitment and facility fees are based on leverage and interest coverage ratios. Borrowings under the facility may be either in the domestic or Eurodollar markets at the option of the Company; interest rates on amounts borrowed vary depending on the source. There were no borrowings under this facility at June 30, 1994 . This agreement replaced a similar facility which would have expired on June 7, 1994.

On November 12, 1993, the Company's subsidiary, Perkin-Elmer Italia S.p.A., exercised its option to extend 10 billion Lira of the 15 billion Lira credit facility for an additional year. Interest is payable at the Milan Interbank Offered Rate plus .75% per annum. The loan agreement provides for a commitment fee of .2%. At June 30, 1994, there were borrowings of approximately 3 billion Lira under the facility.

The Company's subsidiary, Perkin-Elmer Japan, entered into a three year credit agreement under which it borrowed 2.8 billion Yen at a fixed interest rate of 3.255%. The final maturity date is scheduled for February 1997.

At June 30, 1994, PE had unused credit facilities for short-term borrowings from domestic and foreign banks in various currencies totaling approximately $321 million. Compensating balance

requirements and/or commitment fees for such credit arrangements were not material.

Yen denominated bank notes include fixed rate notes (5.4% and 6.2% at June 30, 1994) and notes bearing interest at the bank's long-term variable prime rates (3.5% and 4.4% at June 30, 1994).

Under various credit agreements, the Company is restricted as to maintenance of minimum net worth and interest charge coverage ratios.

Annual maturities of long-term debt for the fiscal years 1995 through 1999 are $1.9 million, $1.5 million, $29.3 million, $.7 million and $.4 million, respectively.

Note 4 Income Taxes

Effective August 1, 1992, PE adopted the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns.

The cumulative effect of the change in the method of accounting for income taxes attributable to fiscal years prior to 1993 was to increase net income by $19.9 million. The tax benefit primarily resulted from the recognition of deferred tax assets relating to future tax amortization of foreign intangibles. The impact of this change on fiscal 1993 operating results, after recording the cumulative effect, was to recognize additional tax expense of $2 million.

Income before income taxes for fiscal years ended 1994, 1993 and 1992 was as follows:

(Dollar amounts in millions)	1994	1993	1992
United States	$65.0	$16.1	$14.2
Foreign	24.1	27.8	35.1
Total	$89.1	$43.9	$49.3

The components of the provision for income taxes for fiscal years 1994, 1993 and 1992 consisted of the following:

(Dollar amounts in millions)	1994	1993	1992
Currently payable:			
Federal	$(1.3)	$ 2.4	$13.2
Foreign	12.6	10.4	9.8
State and local	2.1	1.0	.8
Total currently payable	13.4	13.8	23.8
Deferred:			
Federal		2.3	3.0
Foreign	1.8	3.4	(1.8)
Total deferred	1.8	5.7	1.2
Total provision for income taxes	$15.2	$19.5	$25.0

Significant components of deferred tax assets and liabilities at June 30, 1994 and 1993 were:

Deferred Tax Assets

(Dollar amounts in millions)	1994	1993
Intangibles	$ 13.8	$ 13.0
Inventories	7.7	9.3
Postretirement and postemployment benefits	38.2	36.8
Other reserves and accruals	63.6	68.3
Tax credit carryforwards	20.7	34.3
Subtotal	144.0	161.7
Valuation allowance	(119.6)	(136.0)
Total deferred tax asset	$ 24.4	$ 25.7

Deferred Tax Liabilities

(Dollar amounts in millions)	1994	1993
Inventories	$ (1.0)	$ (.7)
Other reserves and accruals	(6.6)	(5.1)
Total deferred tax liability	(7.6)	(5.8)
Total net deferred tax asset	$ 16.8	$ 19.9

For fiscal 1992, temporary differences giving rise to deferred income taxes principally resulted from intangibles, reserves and inventories.

A reconciliation of the federal statutory tax provision to the Company's tax provision for the fiscal years ended 1994, 1993 and 1992 follows:

(Dollar amounts in millions)	1994	1993	1992
Federal statutory rate	35%	34%	34%
Tax at federal statutory rate	$31.2	$14.9	$16.7
State income taxes (net of federal benefit)	1.4	.6	.6

Goodwill	.4	.4	5.7
Effect on income from foreign operations	(.2)	(.5)	(3.1)
Merger expenses		4.3	
Utilization of tax benefit carryforwards	(16.5)	(8.8)	(2.6)
U.S. gain from foreign reorganization	4.6		
Alternative minimum tax		1.1	
Domestic temporary differences for which (benefit is recognized)/no benefit is provided	(7.4)	5.7	10.0
Miscellaneous items	1.7	1.8	(2.3)
Total provision for income taxes	$15.2	$19.5	$25.0

At June 30, 1994, PE has available foreign tax credit carryforwards of $8.5 million which will expire between 1995 and 1999, and alternative minimum tax credits of $12.3 million with an indefinite carryforward period.

The Company's federal tax returns have been examined by the Internal Revenue Service (IRS) for the years 1975 through 1987, and the IRS is currently examining 1988 and 1989. The primary issue of significant dollar amount for the fiscal years 1975 through 1987 relates to the Company's pricing method on intercompany sales with its subsidiary in Puerto Rico. In 1989, the Company filed a petition in the United States Tax Court contesting a Notice of Deficiency for taxable years 1975 through 1981 relating primarily to this matter. The Company has completed trial before the Tax Court with respect to the deficiencies relating to pricing and has received the Court's decision, which essentially upheld the Company's pricing methods of the intercompany sales. The favorable ruling from the Tax Court contributed to a lower effective tax rate for the Company in fiscal 1994. The other issue being considered by the Tax Court has not yet been decided but is not material in nature. The years 1982 through 1987 are under consideration at the IRS appeals level. It is the Company's opinion that it has adequately provided in the financial statements for any potential IRS tax adjustment relating to these years.

Note 5 Retirement and Other Benefits

Pension Plans. Substantially all employees worldwide are covered by either PE or government sponsored retirement plans. The Company recognizes pension expense in accordance with SFAS No. 87, "Employers' Accounting for Pensions." Total pension expense for its domestic plans and significant foreign plans was $17.3 million for fiscal 1994, $13.8 million for fiscal 1993 and $11.7 million for fiscal 1992.

The Company has a noncontributory pension plan (contributory 1984 and prior) covering substantially all of its domestic employees (ABI employees were covered effective July 1, 1993). Plan benefits are generally established based on average career earnings. The Company also has nonqualified supplemental and deferred compensation plans for certain officers and key employees which are unfunded and paid directly by the Company. The qualified pension plan in the United States is funded in accordance with the requirements of the Employee Retirement Income Security Act of 1974. Plan assets are invested in various securities including U.S. government and federal agency obligations, corporate debt, preferred and common stocks, foreign government obligations, real estate and foreign equities. Employees outside of the U.S. generally receive retirement benefits under various pension plans based upon such factors as years of service and employee compensation levels which conform to the practice common in the country in which PE conducts business.

The following assumptions and components were used for the fiscal years ended 1994, 1993 and 1992 to develop net periodic pension cost:

	Domestic Plans		
(Dollar amounts in millions)	1994	1993	1992
Assumptions:			
Discount rate	8 1/2%	8 1/2%	8 1/2%
Rate of increase in future compensation levels	4%	4%	4%
Expected long-term rate of return on assets	8 1/2-10%	8 1/2-10%	8 1/2-10%
Components:			
Service cost	$ 9.1	$ 6.2	$ 6.5

Interest cost	30.6	25.6	26.7
Actual return on assets	(19.5)	(29.0)	(23.6)
Net amortization and deferral	(9.8)	3.5	(4.3)
Net periodic pension cost	$ 10.4	$ 6.3	$ 5.3

	Foreign Plans		
(Dollar amounts in millions)	1994	1993	1992
Assumptions:			
Discount rate	6-8 1/2%	6 1/2-9 1/2%	7 1/2-9 1/2%
Rate of increase in future compensation levels	4 1/2%	4 1/2-5%	4 1/2-6%
Expected long-term rate of return on assets	6 1/2-10%	7-10 1/2%	7 1/2-10 1/2%
Components:			
Service cost	$ 2.9	$ 3.1	$ 2.8
Interest cost	6.0	6.3	5.9
Actual return on assets	(1.7)	(4.3)	(.9)
Net amortization and deferral	(.3)	2.4	(1.4)
Net periodic pension cost	$ 6.9	$ 7.5	$ 6.4

The following table sets forth the funded status of the plans and amounts recognized in the Company's Consolidated Statements of Financial Position at June 30, 1994 and 1993:

	Domestic Plans	
(Dollar amounts in millions)	1994	1993
Plan assets at fair value	$339.3	$323.8
Actuarial present value of benefit obligations:		
Vested	362.7	346.8
Nonvested	6.1	7.0
Accumulated benefit obligation	368.8	353.8
Effect of assumed increase in future compensation levels	13.1	11.8
Reduction of projected benefit obligation due to curtailment	(2.8)	
Projected benefit obligation	379.1	365.6
Excess of projected benefit obligation over plan assets	39.8	41.8
Required minimum pension liability (unfunded accumulated benefits)	37.9	33.1
Effect of items not yet recognized:		
Net actuarial loss	(57.2)	(51.6)
Prior service cost	(4.7)	(9.3)
Net transition asset	13.7	16.0
Pension liability	$ 29.5	$ 30.0

In accordance with the provisions of SFAS No. 87, the Company recorded, as shown in the table above, an additional minimum liability at the end of each year representing the excess of the accumulated benefit obligations over the fair value of plan assets and accrued pension liabilities. The liabilities have been offset by intangible assets to the extent possible. Because the asset recognized may not exceed the amount of unrecognized prior service cost, the balance of the liability is reported as a reduction of shareholders' equity.

As a result of the Company's decision to sell its Applied Science Operation, Physical Electronics Division and Material Sciences segment (see Note 2), PE recognized a curtailment of its domestic pension plan. The loss recognized was not material to the financial statements.

The curtailment reduction of $2.8 million, reflected in the Statement of Financial Position, was the gain from the reduction in the projected benefit obligation. This is not recognized immediately as a reduction of expense because it did not exceed the amount of unrecognized cumulative loss, net of the unrecognized initial asset, as required by SFAS No. 88.

	Foreign Plans			
	Assets Exceed Accumulated Benefits		Accumulated Benefits Exceed Assets	
(Dollar amounts in millions)	1994	1993	1994	1993
Plan assets at fair value	$25.2	$23.5		
Actuarial present value of benefit obligations:				
Vested	23.1	20.4	$43.0	$38.0
Nonvested			4.1	3.6

Accumulated benefit obligation	23.1	20.4	47.1	41.6
Effect of assumed increase in future compensation levels	1.7	.8	12.6	13.1
Projected benefit obligation	24.8	21.2	59.7	54.7
Projected benefit obligation in excess of (less than) plan assets	(.4)	(2.3)	59.7	54.7
Effect of items not yet recognized:				
Net actuarial loss	(3.8)	(1.2)	1.0	(.1)
Prior service cost	(.4)	(.4)		
Net transition asset (obligation)	3.4	3.7	(7.4)	(7.7)
Pension liability (asset)	$(1.2)	$ (.2)	$53.3	$46.9

PE has a profit sharing and savings plan whereby, when pretax earnings per share of the common stock outstanding exceed $.3125 per share, the Company is required to fund the plan in an amount equal to 8% of consolidated pretax earnings, as defined by the plan, provided the amount of such payment does not reduce the balance of such earnings below $.3125 per share of common stock. The profit sharing payment by the Company is allocated among its domestic employees (ABI employees were covered as of July 1, 1993) in direct proportion to their earnings. PE's contribution was $7.5 million for fiscal 1994, $6.7 million for fiscal 1993 and $7 million for fiscal 1992.

Retiree Health Care and Life Insurance Benefits. PE provides certain health care and life insurance benefits to domestic employees, hired prior to January 1, 1993, who retire from the Company and satisfy certain service and age requirements. Generally, the medical coverage pays a stated percentage of most medical expenses reduced for any deductible and payments made by Medicare or other group coverage. Benefits are administered through an insurance carrier paid by PE. The cost of providing these benefits is shared with retirees. The cost sharing provisions will vary depending on the retirement date, age and years of service. The Company has amended the plan to exclude any domestic employees hired after January 1, 1993. The plan is unfunded.

The Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," as of August 1, 1992. This statement requires the accrual of the cost of providing postretirement benefits, including medical and life insurance coverage, during the active service period of the employee. The Company elected to immediately recognize the accumulated liability, measured as of August 1, 1992. This resulted in a one-time after-tax charge of $88.8 million or $1.98 per share. The effect of this change on fiscal 1993 operating results, after recording the cumulative effect for fiscal years prior to 1993, was to recognize additional after-tax expense of $3.0 million or $.07 per share. The pro forma effect of the change on fiscal years prior to 1993 was not determinable. Prior to fiscal 1993, the Company recognized expense in the year the benefits were paid. Postretirement health care and life insurance costs charged to expense were $5.3 million in fiscal 1992.

The following table sets forth the funded status of the plan, reconciled to the accrued postretirement benefit liability recognized in the Company's Consolidated Statements of Financial Position at June 30, 1994 and 1993:

(Dollar amounts in millions)	1994	1993
Actuarial present value of postretirement benefit obligation:		
Retirees	$68.8	$72.1
Fully eligible active participants	7.5	6.1
Other active participants	10.9	14.6
Accumulated postretirement benefit obligation (APBO)	87.2	92.8
Effect of items not yet recognized:		
Unrecognized net gain	6.6	
Accrued postretirement benefit liability	$93.8	$92.8

Net periodic postretirement benefit cost for fiscal 1994 and 1993 included the following components:

(Dollar amounts in millions)	1994	1993
Service cost of benefits earned	$1.2	$1.2
Interest cost on accumulated postretirement benefit obligation	7.2	6.7
Net periodic postretirement benefit cost	$8.4	$7.9

As a result of the Company's decision to sell its Applied Science Operation, Physical Electronics Division and Material Sciences segment (see Note 2), it recognized a $2.9 million gain related to the curtailment of its postretirement benefit plan during fiscal 1994.

The discount rate used in determining the APBO was 8.5% in fiscal 1994 and 1993. The assumed health care cost trend rate used for measuring the APBO was divided into three categories:

	1994	1993
Pre-65 participants	12.3%	13.0%
Post-65 participants	8.7%	9.0%
Medicare	7.8%	8.0%

All three rates were assumed to decline to 5.5% over 11 years in fiscal 1994 and over 12 years in fiscal 1993.

If the health care cost trend rate was increased 1 percent, the APBO, as of June 30, 1994, would have increased 10.3%. The effect of this change on the aggregate of service and interest cost for fiscal 1994 would be an increase of 13%.

Foreign employees are primarily covered under government sponsored programs and, therefore, the impact of SFAS No. 106 was not material. No significant expense for foreign retiree medical benefits was incurred by the Company in any of the years presented.

Postemployment Benefits. The Company provides certain postemployment benefits to eligible employees. These benefits include severance, disability and medical-related costs paid after employment but before retirement.

The Company adopted, effective as of the beginning of fiscal 1993, SFAS No. 112, "Employers' Accounting for Postemployment Benefits." SFAS No. 112 requires an accrual method of accounting for the related costs. Prior to the adoption of this standard, the Company recognized such costs at the time the benefits were paid.

The adoption of SFAS No. 112 in fiscal 1993 resulted in a one-time after-tax charge to net income of $14.2 million in the first quarter of the year, representing the cumulative effect on prior years of adopting the new standard.

Note 6 Geographic Area Information

PE operates in one industry segment: the development, manufacture, marketing, sales and service of analytical instrument systems. Included in this industry segment are analytical instrument systems and associated consumable products used to amplify, purify, analyze, interpret results of, synthesize and sequence biological molecules such as DNA, RNA and proteins utilized in life science and related applications. This industry segment also includes analytical instrument systems used for determining the composition and molecular structure of chemical substances and measuring the concentration of materials in a sample. Analytical instruments include spectrophotometers, gas and liquid chromatographs, analytical balances, flame photometers, polarimeters and data handling devices that are designed for use with analytical instrument systems.

Operating income is net revenues less operating costs and expenses. Operating costs and expenses include cost of sales, selling, general and administrative and research, development and engineering expenses. Identifiable assets include all assets directly identified with those geographic areas. Corporate assets consist primarily of cash and cash equivalents, short-term investments, long-term marketable securities, certain

other current and long-term assets and certain investments in unconsolidated companies.

Information by geographic area is presented on a source basis, with exports shown in their area of origin and R&D expenses reflected in the area where the activity was performed. Operating income reflects all profit in the region where the sale originated. The geographic groupings of non-U.S. operations are based on similarities of business environment and geographic proximity.

<TABLE>

<CAPTION>

(DOLLAR AMOUNTS IN MILLIONS)	United States	Europe	Far East	Other Countries	Eliminations and Corporate Expenses	Consolidated
Fiscal 1994:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net revenues	$ 417.8	$ 362.6	$ 195.3	$ 48.8		$ 1,024.5
Interarea transfers	56.0	114.3	102.2	6.6	$ (279.1)	

	473.8	476.9	297.5	55.4	(279.1)	$ 1,024.5
Operating income (loss)	(3.4)	48.8	62.0	9.7	$ (21.1)	96.0
Identifiable assets	$ 319.3	$ 224.6	$ 102.6	$ 23.3		$ 669.8
Corporate assets						158.5
Net assets of discontinued operations						56.2
Total assets						884.5
Fiscal 1993: (a)						
Net revenues	$ 404.50	$ 420.40	$ 144.5	$ 41.9		$ 1,011.3
Interarea transfers	56.5	122.8	64.2	7.6	$ (251.1)	
	461.0	543.2	208.7	49.5	(251.1)	$ 1,011.3
Operating income (loss) (b)	(24.7)	58.1	43.9	8.3	$ (42.1)	43.5
Identifiable assets	$ 332.4	$ 215.8	$ 70.5	$ 20.9		$ 639.6
Corporate assets						150.8
Net assets of discontinued operations						60.7
Total assets						851.1
Fiscal 1992: (a)						
Net revenues	$ 412.2	$ 395.2	$ 120.1	$ 42.6		$ 970.1
Interarea transfers	47.8	112.7	50.8	6.0	$ (217.3)	
	460.0	507.9	170.9	48.6	(217.3)	$ 970.1
Operating income (loss)	(14.1)	60.1	36.2	7.4	$ (27.0)	62.6
Identifiable assets	352.0	233.0	62.5	26.9		674.4
Corporate assets						210.0
Net assets of discontinued operations						64.6
Total assets						949.0

</TABLE>

(a) The financial data by geographic area for prior years has been reclassified to reflect all operating profit in the region where the revenue originated.
(b) The costs to combine operations of $28.5 million were included in operating income of the United States ($15.4 million), Europe ($11.4 million), Far East ($1.4 million) and other countries ($.3 million). The $12.5 million in transaction costs is reflected as a corporate expense.

For purposes of this footnote, revenues between geographic areas are accounted for at approximately cost.
Export sales for the fiscal years ended June 30, 1994, 1993 and July 31, 1992 were approximately $63.8 million, $76.1 million and $80.7 million, respectively.

Note 7 Shareholders' Equity

Treasury Stock. PE's Board of Directors has authorized the purchase of PE common stock to support the Company's employee stock purchase plan and stock option plans. Under this Board of Directors' resolution, purchases for this program are limited annually to the number of shares expected to be issued under these plans. For the years ended June 30, 1994, 1993 and July 31, 1992, the Company purchased .8 million shares, .4 million shares and .5 million shares, respectively, to support these plans.
Under a separate program, PE is authorized to purchase common stock when management deems such action to be in the best interest of its shareholders and the Company. During fiscal 1989, the Company's Board of Directors increased its authorization to purchase PE common stock from 5 million shares to 10 million shares. As of June 30, 1994, approximately 5 million shares remain authorized to be purchased.

Shareholder Protection Rights Plan. PE has adopted a Shareholder Protection Rights Plan designed to protect shareholders against abusive takeover tactics by declaring a dividend of one right on each outstanding share of common stock. Each right entitles shareholders to buy one one-hundredth of a newly-issued share of participating preferred stock having economic and voting terms similar to those of one share of common stock at an exercise price of $90.00, subject to adjustment.
The rights will be exercisable only if a person or a group: (a) acquires 20% or more of the Company's shares or (b) commences a tender offer that will result in such person or group owning 20% or more of the Company's shares. Before that time, the rights trade with the common stock, but thereafter they become

separately tradeable.
Upon exercise, after a person or a group acquires 20% or more of the Company's shares, each right (other than rights held by the acquiring person) will entitle the shareholder to purchase a number of shares of preferred stock of the Company having a market value of two times the exercise price. If PE is acquired in a merger or other business combination, each right will entitle the shareholder to purchase at the then exercise price a number of shares of common stock of the acquiring company having a market value of two times such exercise price. If any person or group acquires between 20% and 50% of PE's shares, the Company's Board of Directors may, at its option, exchange one share of the Company's common stock for each right.
The rights are redeemable at PE's option at one cent per right prior to a person or group becoming an acquiring person.
Common Stock. In October 1993, the Company's shareholders approved an increase in the number of authorized shares of common stock from 60 million to 90 million.

Note 8 Stock Plans

Stock Option Plans. Under PE's stock option plans, officers and other key employees may be granted options, each of which allows for the purchase of common stock at a price of not less than 100% of fair market value at the date of grant.
As a result of the merger with ABI in 1993, all unexpired and unexercised stock options under ABI's stock option plans were converted to options to acquire .678 of a share of the Company's common stock, and the obligations with respect to such options have been assumed by PE. Each ABI option assumed by PE is subject to the same terms and conditions which existed prior to the merger.
Stock options granted under the ABI plans were available for grant to employees, directors, consultants, sales representatives and distributors. Incentive stock options, granted at prices not less than the fair market value of the common stock on the date of grant, and nonstatutory stock options, granted at prices ranging from 85% to 100% of the fair market value on the date of grant, were available for grant.
Transactions relating to the stock purchase and option plans of the Company are summarized below. The table reflects the pooled activity of PE and ABI options for 1992 and 1993 as if all ABI options were granted, exercised, or canceled at .678 of a PE share.

	Number of Shares
Outstanding at July 31, 1991	3,982,226
Granted at $18.07-$34.81 per share	896,246
Exercised at $15.90-$35.88 per share	630,091
Canceled	234,380
Outstanding at July 31, 1992	4,014,001
Granted at $20.47-$37.75 per share	1,387,417
Exercised at $9.96-$35.88 per share	841,752
Canceled	199,523
Outstanding at June 30, 1993	4,360,143
Granted at $30.25-$37.75 per share	970,150
Exercised at $10.70-$35.32 per share	763,085
Canceled	253,458
Outstanding at June 30, 1994	4,313,750
Options exercisable at June 30, 1994	2,491,665

As of June 30, 1994, 1.0 million shares remain available for option grant.
Employee Stock Purchase Plan. The Employee Stock Purchase Plan enables substantially all domestic employees to subscribe to shares of common stock on an annual offering date at a purchase price equal to the lower of 85% of the fair market value of the common stock on the day the right is granted or 85% of the fair market value of the common stock on the day the 24 month purchase period applicable to each right to purchase terminates.
At the effective time of the merger, each outstanding right to acquire ABI common stock pursuant to the ABI Employee Stock Purchase Plan was converted to a right to purchase .678 of a share of PE common stock subject to the same terms and conditions set forth in the ABI purchase plan. ABI contributed 25% of the purchase price of eligible stock purchases.
Common stock issued under the PE and ABI Employee Stock Purchase Plans, assuming ABI stock was issued at .678 of a PE share prior to the merger, was approximately .1 million in fiscal 1994, 1993 and 1992. At June 30, 1994, .8 million shares are reserved for issuance.
Director Stock Purchase and Deferred Compensation Plan. In 1993, PE adopted the Director Stock Purchase and Deferred Compensation Plan which requires nonemployee directors of the Company to apply

at least 50% of their annual retainer to the purchase of common stock. The purchase price of the common stock to be purchased under the plan is the fair market value on the first calendar day of the third month of each fiscal quarter. At June 30, 1994, approximately 96,500 shares were available for issuance.
Restricted Stock. As part of PE's 1993 Stock Incentive Plan, a total of 100,000 shares of common stock may be granted to key employees pursuant to restricted stock awards. Such stock will not vest until certain continuous employment restrictions are met. PE's 1988 Stock Incentive Plan also permitted the grant of restricted stock awards. In fiscal 1994, 1993 and 1992, there were no shares awarded. The amounts charged to expense in fiscal years 1993 and 1992 related to the 1988 plan were $.7 million and $1 million, respectively. There were no charges in fiscal 1994.

Note 9 Additional Information

The following table provides the major components of selected accounts of the Consolidated Statements of Financial Position:

(Dollar amounts in millions) At June 30,	1994	1993
Other long-term assets		
Investments in affiliated companies	$ 34.0	$ 38.1
Assets held for sale	45.0	31.6
Other	85.5	83.0
Total	$164.5	$152.7
Other accrued expenses		
Deferred service revenues	$ 37.3	$ 30.7
Accrued pension liabilities	16.7	25.4
Costs to combine operations	9.6	26.4
Other	78.0	69.9
Total	$141.6	$152.4
Other long-term liabilities		
Accrued pension liabilities	$ 56.1	$ 41.9
Accrued postretirement benefits	89.9	86.8
Other	35.5	34.7
Total	$181.5	$163.4

The following table provides the significant components of other income (expense) in the Consolidated Statement of Operations for the year ended June 30, 1993:

(Dollar amounts in millions)	1993
Gain on sale of 7% promissory note	$8.5
Reduction in carrying value of unoccupied properties	(5.0)
Other, net	2.6
Total	$6.1

The components of other income (expense) for fiscal years 1994 and 1992 were not material.

Note 10 Provision for Restructured Operations

In the fourth quarter of fiscal 1992, ABI recorded a $22 million charge to write down goodwill and other intangibles with limited or no continuing value; to reserve for the closing of its Swedish operation; and to accrue for expenses related to the closure and relocation of its San Jose, California manufacturing facility. The closure of the Swedish operation and the San Jose facility were substantially completed in fiscal 1993.

Note 11 Commitments and Contingencies

Future minimum payments at June 30, 1994 under noncancelable operating leases for real estate and equipment were as follows:

(Dollar amounts in millions)	
1995	$24.1
1996	20.1
1997	15.7
1998	10.2
1999	8.0
2000 and thereafter	9.2
Total	$87.3

Rental expense was $32.9 million in fiscal 1994, $31.9 million in fiscal 1993 and $27.7 million in fiscal 1992.
The Company has been named as a defendant in several legal actions arising from the conduct of its normal business activities. Although the amount of any liability that might arise with respect to any of these matters cannot be accurately predicted, the resulting liability, if any, will not in the opinion of management have a material adverse effect on the

financial statements of the Company.

Note 12 Sale of Accounts Receivable

The Company periodically sells accounts receivable in Japan. In 1992, the Company also sold accounts receivable in Italy. These transactions are recorded as sales in accordance with SFAS No. 77, "Reporting by Transferors for Transfers of Receivables with Recourse," as amended. During the fiscal years ended 1994, 1993 and 1992, the Company received cash proceeds of $43.8 million, $17.8 million and $38.1 million, respectively. The Company believes that it has adequately provided for any risk of loss which may occur under these arrangements.

Note 13 Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of the following financial instruments held by the Company:

Cash and Short-Term Investments. The carrying amount approximates fair value because of the short maturity of those instruments.

Marketable Securities Beyond One Year. The fair values of these investments are estimated based on quoted market prices for those or similar instruments.

Minority Equity Investments, Notes Receivable. The fair values of these instruments are estimated based on quoted market prices if available or quoted market prices of financial instruments with similar characteristics.

Debt. The fair value of the Company's debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

Foreign Currency Contracts. The fair value of foreign currency contracts (used for hedging purposes) is estimated using fiscal year end exchange rates.

The carrying values and estimated fair values of the Company's financial instruments at June 30, 1994 and 1993 were as follows:

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Dollar amounts in millions)	1994		1993	
Cash and short-term investments	$25.0	$25.0	$30.3	$30.3
Marketable securities maturing beyond one year	7.0	7.0	7.0	7.0
Minority equity investments	27.3	30.0	28.3	28.7
Notes receivable	13.4	13.7	9.8	10.0
Short-term debt	83.6	83.6	74.0	74.0
Long-term debt	34.3	34.3	7.1	7.1
Foreign currency contracts	90.8	90.8	59.5	59.5

Note 14 Quarterly Financial Information (Unaudited)

The following is a summary of quarterly financial results for the fiscal years ended June 30, 1994 and June 30, 1993:

<TABLE>

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	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
(Dollar amounts in millions except per share amounts)	1994	1993	1994	1993	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net revenues	$ 243.3	$ 250.9	$ 256.8	$ 270.2	$ 263.5	$ 258.6	$ 260.9	$ 231.6
Gross margin	113.6	117.5	123.6	129.8	128.9	123.0	123.1	105.9
Income (loss) from continuing operations	13.5	11.6	22.2	20.5	20.4	(16.9)	17.9	9.3
Income (loss) from discontinued operations	(12.5)	1.8	.4		2.7		(10.4)	(3.2)
Income (loss) before cumulative effect of changes in accounting principles	1.0	13.4	22.2	20.9	20.4	(14.2)	7.5	6.1
Cumulative effect on prior years of changes in accounting principles (net of income taxes)		(83.1)						
Net income (loss)	1.0	(69.7)	22.2	20.9	20.4	(14.2)	7.5	6.1
Income (loss) per share from continuing operations	.30	.26	.50	.46	.45	(.38)	.41	.20
Income (loss) per share from discontinued operations	(.28)	.04		.01		.06	(.24)	(.07)
Income (loss) per share before cumulative effect of changes in accounting principles	.02	.30	.50	.47	.45	(.32)	.17	.13
loss per share from cumulative effect on prior years of changes in accounting principles		(1.85)						
Net income (loss) per share	$ .02	$ (1.55)	$ .50	$ .47	$ .45	$ (.32)	$ .17	$ .13

</TABLE>

Stocks Prices and Dividends	1994	1993

<TABLE>

<CAPTION>

Stock prices	1994 High	1994 Low	1993 High	1993 Low
<S>	<C>	<C>	<C>	<C>
First Quarter	$ 33 7/8	$ 30	$ 35 1/2	$ 28 1/2
Second Quarter	$ 39	$ 28 1/2	$ 39 3/4	$ 30 1/8
Third Quarter	$ 39 1/2	$ 31	$ 39 1/4	$ 32 3/4
Fourth Quarter	$ 33	$ 27	$ 36 1/2	$ 30 3/4

</TABLE>

Dividends per share	1994	1993
First Quarter	$ .17	$ .17
Second Quarter	$ .17	$ .17
Third Quarter	$ .17	$ .17
Fourth Quarter	$ .17	$ .17

To the Shareholders of The Perkin-Elmer Corporation

The Company is responsible for the preparation and integrity of the accompanying consolidated financial statements. The statements have been prepared in conformity with generally accepted accounting principles appropriate in the circumstances and include amounts based upon management's best estimates and judgments. These accounting principles have been consistently applied. The financial statements are believed to reflect, in all material respects, the substance of events and transactions that should be included. Financial information presented elsewhere in this annual report is consistent with that in the financial statements.

In meeting its responsibility for preparing reliable financial statements, the Company depends on its system of internal accounting controls. This system is designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with the appropriate corporate authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The Company believes that its accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions. The concept of reasonable assurance is based on the recognition that judgments are required to assess and balance the costs and expected benefits of a system of internal accounting controls. Written internal accounting control and other operating policies and procedures supporting this system are communicated throughout the Company. Adherence to these policies and procedures is reviewed through a coordinated audit effort of the Company's internal audit staff and independent accountants.

The independent accountants review and test the system of internal accounting controls to the extent they consider necessary to support their opinion on the consolidated financial statements of the Company. Their report is the result of an independent and objective review of management's discharge of its responsibilities relating to the fairness of reported operating results and financial condition.

The Company's Board of Directors has an Audit Committee composed solely of outside directors. The committee meets periodically with the Company's independent accountants, management and internal auditors to review matters relating to the quality of financial reporting and internal accounting controls, the nature and extent of internal and external audit plans and results, and certain other matters. The independent accountants, whose appointment is recommended by the Audit Committee to the Board of Directors, have full and free access to this committee.

A statement of business ethics policy is communicated to all Company employees. The Company monitors compliance with this policy to help assure that operations are conducted in a responsible and professional manner with a commitment to the highest standard of business conduct.

William F. Emswiler
Vice President, Finance
Chief Financial Officer

Gaynor N. Kelley
Chairman and
Chief Executive Officer

Report of Independent Accountants
To the Shareholders and Board of Directors of
The Perkin-Elmer Corporation

In our opinion, based upon our audits and the report of other auditors, the accompanying consolidated statements of financial position and the related consolidated statements of operations, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of The Perkin-Elmer Corporation and its subsidiaries at June 30, 1994 and 1993, and the results of their operations and their cash flows for each of the three fiscal years in the period ended June 30, 1994, in conformity with generally accepted accounting principles.

These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Applied Biosystems, Inc., which statements reflect total revenues of $181,805,000 for the year ended July 31, 1992. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Applied Biosystems, Inc., is based solely on the report of the other auditors. We conducted our audits of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for the opinion expressed above.

As discussed in Note 4 and Note 5 to the financial statements, the Company changed its method of accounting for income taxes, postretirement benefits and postemployment benefits in fiscal 1993.

Price Waterhouse LLP

Stamford, Connecticut
July 28, 1994

SUBSIDIARIES OF THE PERKIN-ELMER CORPORATION

Name	State or Jurisdiction of Incorporation or Organization
PKN Overseas Corporation	(New York,USA)
Perkin-Elmer (UK) Limited	(UK)
Perkin-Elmer (UK) Pension Trustees Limited	(UK)
Perkin-Elmer Limited	(UK)
Metco Limited	(UK)
Applied Biosystems Ltd.	(UK)
Perkin-Elmer Pty Limited	(Australia)
Perkin-Elmer (Canada) Ltd.	(Canada)
Perkin-Elmer Sciex *	(Canada)
Perkin-Elmer Taiwan Corporation	(Delaware,USA)
Perkin-Elmer (Thailand) Limited	(Thailand)
Perkin-Elmer AG	(Switzerland)
Perkin-Elmer Japan Co. Ltd.	(Japan)
Perkin-Elmer SA	(France)
Perkin-Elmer (Sweden) AB	(Sweden)
Perkin-Elmer AB	(Sweden)
Metco Scandinavia AB	(Sweden)
Perkin-Elmer OY	(Finland)
Perkin-Elmer Nederland BV	(The Netherlands)
Applied Biosystems, BV	(The Netherlands)
Perkin-Elmer Belgium NV	(Belgium)
Metco Nederland BV	(The Netherlands)
Perkin-Elmer Sro	(Czech Republic)
Perkin-Elmer Hungaria Kft	(Hungary)
Perkin-Elmer Polska Spolka zoo	(Poland)
Spartan Ltd. +	(Channel Isles)
Listronagh Company	(Ireland)
Perkin-Elmer Instruments Asia Pte. Ltd.	(Singapore)
Perkin-Elmer Instruments Pte. Ltd.	(Malaysia)
Perkin-Elmer Holding GmbH	(Germany)
Bodenseewerk Perkin-Elmer GmbH	(Germany)
Perkin-Elmer Metco GmbH	(Germany)
Perkin-Elmer GmbH	(Austria)
Metco Vertrieb GmbH	(Austria)
Perkin-Elmer Italia SpA	(Italy)
Perkin-Elmer Hong Kong, Ltd.	(Hong Kong)
Metco de Mexico SA	(Mexico)
Perkin-Elmer Analytical and Biochemical Instruments (Beijing) Co., Ltd.	(China)

Perkin-Elmer International, Inc.	(Delaware, USA)
Analitica de Centroamerica, S.A.	(Costa Rica)
Perkin-Elmer Industria e Comercio Ltda.	(Brazil)
Metco Industria e Comercio Ltda.	(Brazil)
Perkin-Elmer Korea Corporation	(Delaware, USA)
Perkin-Elmer de Mexico SA	(Mexico)
Perkin-Elmer Overseas Ltd.	(Cayman Islands)
PECO Insurance Company Limited	(Bermuda)
ULVAC-PHI, Inc. *	(Japan)
Daiichi Metco, Co. Ltd. *	(Japan)
Perkin-Elmer Caribbean Corporation	(Delaware, USA)
Perkin-Elmer China, Inc.	(Delaware, USA)
Perkin-Elmer FSC, Inc.	(Virgin Islands)
Perkin-Elmer Hispania SA	(Spain)
Metco Iberica SA	(Spain)
Hitachi Perkin-Elmer, Ltd. +	(Japan)
Applied Biosystems (Australia) Pty. Ltd.	(Australia)
Applied Biosystems Canada, Inc.	(Canada)

EXHIBIT 21
LIST OF SUBSIDIARIES

Note: Persons directly owned by subsidiaries of The Perkin Elmer Corporation are indented and listed below their immediate parent.

* 50% ownership
\+ 49% ownership

SUBSIDIARIES OF THE PERKIN-ELMER CORPORATION (cont'd)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-8 (Nos. 2-95451, 33-25218, 33-44191, 33-50847, 33-50849, and 33-58778) of The Perkin-Elmer Corporation of our report dated July 28, 1994, appearing on page 45 of the Annual Report to Shareholders for 1994 of The Perkin-Elmer Corporation which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page 18 of this Form 10-K.

PRICE WATERHOUSE LLP

Stamford, Connecticut
September 21, 1994

Deloitte & Touche LLP [LOGO]
50 Fremont Street
San Francisco, California
94105-2230
Telephone: (415) 247-4000
Facsimile: (415) 247-4329

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the Registration Statements of The Perkin-Elmer Corporation on Form S-8 (Nos. 2-95451, 33-25218, 33-44191, 33-50847, 33-50849, and 33-58778) of our report dated July 29, 1992 (November 5, 1992 as to Notes 13 and 14) (related to the consolidated financial statements and financial statement schedules of Applied Biosystems, Inc. not presented separately therein) appearing in the Annual Report on Form 10-K of The Perkin-Elmer Corporation for the year ended June 30, 1994.

DELOITTE & TOUCHE LLP

September 21, 1994

[LOGO]

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