



## PerkinElmer Announces Q4 2006 Results

- Revenue Growth of 10%; Health Sciences up 12%
- Cash Flow from Operations of \$85M
- Announced Euroscreen and Evotec acquisitions

BOSTON--(BUSINESS WIRE)--Jan. 25, 2007--PerkinElmer, Inc. (NYSE: PKI), a global leader in Health Sciences and Photonics markets, today reported GAAP earnings per share from continuing operations of \$.33 on revenue of \$427.0 million for the fourth quarter ended December 31, 2006. On a non-GAAP basis, which includes the adjustments noted in the income statement reconciliation, the Company announced earnings per share for the fourth quarter 2006 of \$.39, which met the First Call consensus estimate and was in line with the Company's forecasted range of \$.38 to \$.40.

Fourth quarter 2006 revenue of \$427.0 million increased 10% over the fourth quarter of 2005. Revenue growth was 12% in Life and Analytical Sciences and 5% in Optoelectronics compared to the same period last year. From an end market perspective, fourth quarter 2006 revenue from Health Sciences, which represented 85% of total revenues for the quarter, increased 12% over the same period of 2005. This increase was driven primarily by strong growth in the genetic screening, medical imaging, environmental and service businesses, as well as a positive impact from acquisitions and new product introductions. Foreign exchange and acquisitions contributed 3% and 2%, respectively, to fourth quarter 2006 revenue. Full year 2006 revenue of \$1.55 billion increased 5% over 2005 driven primarily by sales growth in medical imaging, genetic screening and service.

"Our strong Q4 results reflect the increased growth momentum we are generating through R&D and capital investments in our key growth platforms. We also announced eight acquisitions during the year that will help fuel our long-term growth," said Gregory L. Summe, Chairman and CEO of the Company. "We expect to carry this momentum into 2007, bringing an increased number of new products to market while continuing to deliver strong financial results."

GAAP operating profit during the fourth quarter of 2006 was \$52.2 million. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, fourth quarter 2006 operating profit was \$64.0 million, or 15.0% as a percentage of revenue for the quarter.

The Company generated cash flow from operations of \$84.9 million in the fourth quarter of 2006. For the full year 2006, cash flow from operations was \$127.3 million. This number includes tax payments of \$60.3 million related to the gain on the divestiture of Fluid Sciences. Cash flow from operations, net of divestiture taxes, was \$187.6 million.

Financial Overview by Reporting Segment:

Life and Analytical Sciences reported revenue of \$320.6 million

for the fourth quarter of 2006, up 12% from revenue of \$286.5 million in the fourth quarter of 2005, driven primarily by growth in the Company's genetic screening, environmental and service businesses, as well as a positive impact from acquisitions and new product introductions.

The segment's GAAP operating profit for the fourth quarter of 2006 was \$40.9 million. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, operating profit for the fourth quarter of 2006 was \$51.3 million, or 16.0% as a percentage of revenue.

Optoelectronics reported revenue of \$106.3 million for the fourth quarter of 2006, up 5% from revenue of \$101.2 million in the fourth quarter of 2005, driven primarily by revenue growth in imaging.

The segment's GAAP operating profit was \$19.8 million for the fourth quarter of 2006. On a non-GAAP basis, which includes the adjustments noted in the attached reconciliation, operating profit for the fourth quarter of 2006 was \$20.4 million or 19.2% as a percentage of Optoelectronics revenue.

#### Financial Guidance

The Company projects revenue to increase in the high single to low double digits for the full year 2007 and non-GAAP earnings per share to grow in the low double digits to mid-teens. Looking ahead to the first quarter of 2007, earnings per share, excluding intangibles amortization and stock option expense, is projected to be \$.23-\$.25.

The Company will discuss its fourth quarter results in a conference call on January 25, 2007 at 5:00 p.m. Eastern Time (ET). To listen to the call live, please tune into the webcast at the "Investor Corner" section of our website, [www.perkinelmer.com](http://www.perkinelmer.com). A playback of this conference call will be available beginning 7:00 p.m. ET, Thursday, January 25, 2007. The playback phone number is (617) 801-6888 and the code number is 67623101.

#### Use of Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this earnings announcement also contains non-GAAP financial measures of revenue, revenue growth, operating profit, operating margin and earnings per share, in each case excluding, where appropriate, the impact of foreign exchange, the effects of acquisitions, intangibles amortization, stock option expense, impairment charges, restructuring reversals and tax benefits.

-- When we refer in this earnings announcement to "operating profit," other than on a GAAP basis, we are excluding the amortization of intangibles, stock option expense, impairment charges and restructuring charges or reversals from GAAP operating margin.

-- When we refer in this earnings announcement to "operating margin," other than on a GAAP basis, we are excluding the amortization of intangibles, stock option expense, impairment charges and restructuring charges or reversals from GAAP operating margin.

-- When we refer to "non-GAAP earnings per share" or "specify that earnings per share is "on a non-GAAP basis," we are excluding the amortization of intangibles, stock option expense, impairment charges, tax expenses or benefits, debt extinguishment charges and restructuring charges or reversals from GAAP earnings per share from continued operations.

-- When we refer to "cash flow from operations, net of divestiture taxes," we are excluding tax benefits relating to divestitures from GAAP cash flow from operations.

We exclude the impact of foreign exchange, the effects of acquisitions, intangibles amortization, stock option expense, impairment charges and restructuring charges or reversals in calculating these non-GAAP measures because such items are outside of our ongoing core business operations.

We believe that the inclusion of these non-GAAP financial measures in this earnings announcement helps investors to gain a meaningful understanding of our core operating results and future prospects, and can also help investors who wish to make comparisons between us and other companies on both a GAAP and a non-GAAP basis, particularly with respect to stock option expenses. Our management uses both GAAP financial measures and non-GAAP financial measures to measure and forecast our core operating performance and to compare that performance to prior periods and to the performance of our competitors. Both GAAP and non-GAAP measures are also used by management in their financial and operating decision-making.

The non-GAAP financial measures included in this earnings announcement are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this earnings announcement may be different from, and therefore may not be comparable to, similar measures used by other companies. Although certain non-GAAP financial measures used in this release exclude the accounting treatment of stock option expense, these non-GAAP measures should not be relied upon independently, as they ignore the contribution to our operating results that is generated by the incentive and compensation effects of the underlying stock option programs. Reconciliations of the non-GAAP financial measures used in this earnings announcement to the most directly comparable GAAP financial measures are set forth in the text of, and the accompanying exhibits to, this earnings announcement.

#### Factors Affecting Future Performance

This earnings announcement contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements relating to estimates and projections of future earnings per share and revenue growth and other financial results, developments relating to our customers and end-markets, and plans concerning business development opportunities. Words such as "believes," "intends," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions, and references to guidance, are intended to identify forward-looking statements. Such statements are based on management's current assumptions and expectations and no assurances can be given that our assumptions or expectations will prove to be correct. A number of important risk factors could cause actual results to differ materially from the results described, implied or projected in any forward-looking statements. These factors include, without limitation: (1) our failure to introduce new products in a timely manner; (2) our ability to execute acquisitions and license technologies, or to successfully integrate acquired businesses and licensed technologies into our existing business or to make them profitable; (3) our failure to protect adequately our intellectual property; (4) the loss of any of our licenses or licensed rights; (5) our ability to compete effectively; (6) fluctuation in our quarterly operating results and our ability to adjust our operations to address unexpected changes;

(7) our ability to produce an adequate quantity of products to meet our customers' demands; (8) our failure to maintain compliance with applicable government regulations; (9) regulatory changes; (10) economic, political and other risks associated with foreign operations; (11) our ability to retain key personnel; (12) restrictions in our credit agreement; (13) our ability to realize the full value of our intangible assets; and (14) other factors which we describe under the caption "Risk Factors" in our most recent annual report on Form 10-K and in our most recent quarterly report on Form 10-Q and in our other filings with the Securities and Exchange Commission. We disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this earnings announcement.

Other Information

Health Sciences end markets include genetic screening, environmental, service, biopharma, and medical imaging. Photonics markets include sensors and specialty lighting.

PerkinElmer, Inc. is a global technology leader driving growth and innovation in Health Sciences and Photonics markets to improve the quality of life. The Company reported revenues of \$1.55 billion in 2006, has 8,000 employees serving customers in more than 125 countries, and is a component of the S&P 500 Index. Additional information is available through [www.perkinelmer.com](http://www.perkinelmer.com) or 1-877-PKI-NYSE.

PerkinElmer, Inc. and Subsidiaries INCOME STATEMENTS

Three Months Ended Year Ended ----- (In thousands, except per share data) 31-Dec-06 1-Jan-06 31-Dec-06 1-Jan-06 -----

Sales \$426,986 \$387,658 \$1,546,358 \$1,473,831

Cost of Sales 248,132 222,816 918,287 859,295 Research and Development Expenses 27,079 21,022 99,719 87,371 In-Process Research and Development Charge - - - 194 Selling, General and Administrative Expenses 99,677 88,020 376,849 365,457 Gains on Dispositions, Net - (1,438) (1,505) (1,502) Impairment of Assets 3,246 - 3,246 - Restructuring and Integration (Reversals) Charges, Net (3,350) 7,820 (3,640) 22,065 -----

Operating Income From Continuing Operations 52,202 49,418 153,402 140,951

Extinguishment of Debt - 48,676 - 54,886 Interest Income (1,736) (1,543) (9,390) (3,321) Interest Expense 2,468 4,829 9,157 27,291 Gains on Dispositions of Investments, Net (383) - (2,296) (5,844) Other Expense, Net 899 777 5,195 1,279 -----

Income (Loss) From Continuing Operations Before Income Taxes 50,954 (3,321) 150,736 66,660

Provision for Income Taxes 9,885 2,780 32,412 128 -----

Net Income (Loss) From Continuing Operations 41,069 (6,101) 118,324 66,532

(Loss) Income From Discontinued Operations, Net of Income Taxes (149) 2,750 (1,174) 15,214 Gain on Disposition of Discontinued Operations, Net of Income Taxes 808 190,899 2,433 186,362 -----

Net Income \$ 41,728 \$187,548 \$ 119,583 \$ 268,108 =====

Diluted Earnings (Loss) Per Share: Continuing Operations \$ 0.33 \$ (0.05) \$ 0.94 \$ 0.51

(Loss) Income From Discontinued Operations, Net of Income Taxes - 0.02 (0.01) 0.12 Gain on Disposition of Discontinued Operations, Net of Income Taxes 0.01 1.47 0.02 1.42 -----

Net Income \$ 0.34 \$ 1.45 \$ 0.95 \$ 2.04 =====

Weighted Average Diluted Shares of Common Stock Outstanding 123,760 129,663 126,512 131,140

ABOVE PREPARED IN ACCORDANCE WITH GAAP

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

GAAP Diluted EPS from Continuing Operations \$ 0.33 \$ (0.05) Amortization of Intangible Assets, Net of Income Taxes 0.05  
0.03 Stock Options, Net of Income Taxes 0.01 - Impairment of Assets, Net of Income Taxes 0.02 - Restructuring (Reversals)  
Charges, Net of Income Taxes (0.02) 0.04 Tax Expense - 0.07 Extinguishment of Debt, Net of Income Taxes - 0.26 -----  
--- Continuing Operations EPS excluding Amortization of Intangible Assets \$ 0.39 \$ 0.36 =====

PerkinElmer, Inc. and Subsidiaries SALES AND OPERATING PROFIT (LOSS)

Three Months Ended Year Ended ----- December 31, January December January 1, (In  
thousands) 2006 1, 2006 31, 2006 2006 -----

Life and Analytical Sciences Sales \$320,644 \$286,470 \$1,144,562 \$1,081,104 OP\$ reported 40,943 45,886 115,372 110,228  
OP% reported 12.8% 16.0% 10.1% 10.2% Amortization expense 8,986 6,576 31,288 26,219 Stock option expense 906 - 3,231  
- Impairment of assets 3,246 - 3,246 - Restructuring (reversals) charges (2,820) 1,866 (1,711) 12,901 OP\$ adjusted 51,261  
54,328 151,426 149,348 OP% adjusted 16.0% 19.0% 13.2% 13.8%

Opto- electronics Sales 106,342 101,188 401,796 392,727 OP\$ reported 19,812 11,249 70,021 58,405 OP% reported 18.6%  
11.1% 17.4% 14.9% Amortization expense\* 644 633 2,544 2,600 Stock option expense 470 - 1,573 - Impairment of assets - - -  
- Restructuring (reversals) charges (530) 5,954 (1,929) 9,164 OP\$ adjusted 20,396 17,836 72,209 70,169 OP% adjusted  
19.2% 17.6% 18.0% 17.9%

Other OP\$ reported (8,553) (7,717) (31,991) (27,682) Stock option expense 867 - 4,267 - OP\$ adjusted (7,686) (7,717)  
(27,724) (27,682)

Continuing Operations Sales \$426,986 \$387,658 \$1,546,358 \$1,473,831 OP\$ reported 52,202 49,418 153,402 140,951 OP%  
reported 12.2% 12.7% 9.9% 9.6% Amortization expense\* 9,630 7,209 33,832 28,819 Stock option expense 2,243 - 9,071 -  
Impairment of assets 3,246 - 3,246 - Restructuring (reversals) charges (3,350) 7,820 (3,640) 22,065 -----  
----- OP\$ adjusted \$ 63,971 \$ 64,447 \$ 195,911 \$ 191,835 ===== OP% adjusted  
15.0% 16.6% 12.7% 13.0%

\* Includes In-Process Research and Development Charge in the amount of \$194 in Q1 2005.

SALES AND REPORTED OPERATING PROFIT PREPARED IN ACCORDANCE WITH GAAP

PerkinElmer, Inc. And Subsidiaries CONSOLIDATED BALANCE SHEETS

December 31, 2006 October 1, 2006 January 1, 2006 ----- (In thousands)

Current assets: Cash and cash equivalents \$191,059 \$207,074 \$502,264 Accounts receivable, net 267,703 253,189 250,844  
Inventories 183,260 182,124 163,150 Other current assets 100,857 72,745 71,189 Current assets of discontinued operations  
477 1,090 11,442 ----- Total current assets 743,356 716,222 998,889

Property, plant and equipment: At cost 524,134 517,611 484,453 Accumulated depreciation (342,938) (336,026) (307,084) ----  
----- Net property, plant and equipment 181,196 181,585 177,369 Marketable securities and  
investments 7,508 7,531 9,222 Intangible assets, net 404,021 410,417 375,419 Goodwill 1,117,724 1,103,352 1,026,201  
Other assets 53,156 80,028 90,156 Long-term assets of discontinued operations 1,605 1,654 16,205 -----  
----- Total assets \$2,508,566 \$2,500,789 \$2,693,461 =====

Current liabilities: Short-term debt \$1,153 \$1,142 \$1,131 Accounts payable 152,080 142,644 146,971 Accrued restructuring  
and integration costs 2,731 8,607 11,242 Accrued expenses 310,726 278,969 324,954 Current liabilities of discontinued  
operations 826 909 10,241 ----- Total current liabilities 467,516 432,271 494,539

Long-term debt 151,781 201,133 243,282 Long-term liabilities 311,539 310,738 303,687 Long-term liabilities of discontinued  
operations - - 1,440 ----- Total liabilities 930,836 944,142 1,042,948

Commitments and contingencies

Total stockholders' equity	1,577,730	1,556,647	1,650,513	-----	Total liabilities and
stockholders' equity	\$2,508,566	\$2,500,789	\$2,693,461	=====	=====

PREPARED IN ACCORDANCE WITH GAAP

PerkinElmer, Inc. and Subsidiaries CONSOLIDATED STATEMENTS OF CASH FLOWS

Three Months Ended	Year Ended	-----	December	January	December	January	31, 2006	1, 2006
31, 2006	1, 2006	-----	-----	-----	-----	-----	-----	-----
(In thousands)								

Operating activities: Net income \$41,728 \$187,548 \$119,583 \$268,108 Add: Loss (income) from discontinued operations, net of income taxes 149 (2,750) 1,174 (15,214) Add: Gain on disposition of discontinued operations, net of income taxes (808) (190,899) (2,433) (186,362) ----- Net income (loss) from continuing operations 41,069 (6,101) 118,324 66,532 ----- Adjustments to reconcile net income (loss) from continuing operations to net cash provided by continuing operations: Stock-based compensation 5,515 4,198 16,144 9,825 Restructuring and integration (reversals) charges, net (3,350) 7,820 (3,640) 22,065 Amortization of debt discount and issuance costs 74 48,879 292 57,385 Depreciation and amortization 18,247 15,881 69,184 66,998 Resolution of prior year tax contingencies - - 55 (27,772) Gains on dispositions, net (383) (1,438) (3,801) (7,346) Asset impairment 3,246 - 3,246 - Changes in operating assets and liabilities: Accounts receivable (8,901) (7,776) 4,071 (10,434) Inventories 2,196 1,863 (11,067) (323) Accounts payable 7,550 20,432 (2,427) 23,242 Taxes paid on divestitures (301) - (60,297) - Tax benefit from exercise of common stock options - 5,343 - 5,343 Accrued expenses and other 18,688 (6,032) (3,220) (12,579) ----- Net cash provided by continuing operations 83,650 83,069 126,864 192,936 ----- Net cash provided by discontinued operations 1,282 1,506 419 15,157 ----- Net cash provided by operating activities 84,932 84,575 127,283 208,093 -----

Investing activities: Capital expenditures (13,474) (11,794) (44,473) (27,993) Proceeds from advance and settlement of insurance claim 3,100 2,942 5,309 2,942 Proceeds from disposition of property, plant and equipment, net - - 4,876 9,393 Proceeds from settlement of life insurance policies 72 - 3,826 - Proceeds from disposition of investments, net 383 359,622 23,627 366,578 Cash used related to acquisitions, net of cash acquired (35,395) (2,683) (132,971) (17,571) ----- Net cash (used in) provided by continuing operations (45,314) 348,087 (139,806) 333,349 ----- Net cash (used in) provided by discontinued operations - (513) 467 (10,060) ----- Net cash (used in) provided by investing activities (45,314) 347,574 (139,339) 323,289 -----

Financing Activities: Payments on debt (53,513) (274,656) (110,078) (374,656) Premium on prepayment of debt - (32,196) - (36,321) Settlement of interest rate swaps - (8,480) - (8,480) Proceeds from borrowings - 244,253 - 244,253 Payment of debt issuance costs - (1,133) (741) (1,133) Tax benefit from exercise of common stock options (1,795) - 2,203 - Increases in other credit facilities (21) 899 (834) 24 Proceeds from issuance of common stock options 4,135 10,118 21,520 19,388 Purchases of common stock - (24,397) (190,121) (24,397) Cash dividends (8,605) (9,086) (35,455) (36,296) ----- Net cash used in continuing operations (59,799) (94,678) (313,506) (217,618) ----- Net cash used in discontinued operations - (78) - (233) ----- Net cash used in financing activities (59,799) (94,756) (313,506) (217,851) -----

Effect of exchange rate changes on cash and cash equivalents 4,166 (1,186) 14,357 (8,780) -----

Net (decrease) increase in cash and cash equivalents	(16,015)	336,207	(311,205)	304,751	Cash and cash equivalents at
beginning of period	207,074	166,057	502,264	197,513	-----
period	\$191,059	\$502,264	\$191,059	\$502,264	=====

PREPARED IN ACCORDANCE WITH GAAP

PerkinElmer, Inc. and Subsidiaries RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

PKI LAS Opto Adjusted Operating	Q406	Q405	Q406	Q405	Q406	Q405	Profit: GAAP Operating Profit	\$52.2	\$49.4	\$40.9	\$45.9
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\$19.8 \$11.2 Intangibles Amortization 9.6 7.2 9.0 6.6 0.6 0.6 Stock Option Expense 2.2 - 0.9 - 0.5 - Impairment of Assets 3.2 - 3.2 - - - Restructuring (Reversals) Charges (3.4) 7.8 (2.8) 1.9 (0.5) 6.0 ----- Adjusted Operating Profit \$64.0 \$64.4 \$51.3 \$54.3 \$20.4 \$17.8 =====

PKI LAS Opto Adjusted OP Margin: Q406 Q405 Q406 Q405 Q406 Q405 GAAP Operating Profit 12.2% 12.7% 12.8% 16.0% 18.6% 11.1% Intangibles Amortization 2.3% 1.9% 2.8% 2.3% 0.6% 0.6% Stock Option Expense 0.5% 0.0% 0.3% 0.0% 0.4% 0.0% Impairment of Assets 0.8% 0.0% 1.0% 0.0% 0.0% 0.0% Restructuring (Reversals) Charges -0.8% 2.0% -0.9% 0.7% - 0.5% 5.9% ----- Adjusted Operating Profit 15.0% 16.6% 16.0% 19.0% 19.2% 17.6% =====

PKI PKI Cash EPS: Q406 Q405 Q107 Q106 GAAP EPS \$0.34 \$1.45 \$0.17 - \$0.19 \$0.18 Discontinued Operations (0.01) (1.49) - (0.01) ----- GAAP EPS from Continuing Operations 0.33 (0.05) \$0.17 - \$0.19 0.17 Intangibles Amortization 0.05 0.03 0.05 0.04 Stock Option Expense 0.01 - 0.01 0.01 Impairment of Assets 0.02 - - - Restructuring (Reversals) Charges (0.02) 0.04 - - Tax Expense - 0.07 - - Extinguishment of Debt - 0.26 - - ----- Cash EPS \$0.39 \$0.36 \$0.23 - \$0.25 \$0.22 =====

PKI LAS Opto Adjusted Operating FY06 FY05 FY06 FY05 FY06 FY05 Profit: GAAP Operating Profit \$153.4 \$141.0 \$115.4 \$110.2 \$70.0 \$58.4 Intangibles Amortization 33.8 28.8 31.3 26.2 2.5 2.6 Stock Option Expense 9.1 - 3.2 - 1.6 - Impairment of Assets 3.2 - 3.2 - - - Restructuring (Reversals) Charges (3.6) 22.1 (1.7) 12.9 (1.9) 9.2 ----- Adjusted Operating Profit \$195.9 \$191.8 \$151.4 \$149.3 \$72.2 \$70.2 =====

PKI LAS Opto Adjusted OP Margin: FY06 FY05 FY06 FY05 FY06 FY05 GAAP Operating Profit 9.9% 9.6% 10.1% 10.2% 17.4% 14.9% Intangibles Amortization 2.2% 2.0% 2.7% 2.4% 0.6% 0.7% Stock Option Expense 0.6% 0.0% 0.3% 0.0% 0.4% 0.0% Impairment of Assets 0.2% 0.0% 0.3% 0.0% 0.0% 0.0% Restructuring (Reversals) Charges -0.2% 1.5% -0.1% 1.2% -0.5% 2.3% ----- Adjusted Operating Profit 12.7% 13.0% 13.2% 13.8% 18.0% 17.9% =====

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SOURCE: PerkinElmer, Inc.