UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED JANUARY 2, 2000

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 1-5075

PERKINELMER, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MASSACHUSETTS (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	04-2052042 (I.R.S. EMPLOYER IDENTIFICATION NO.)
45 WILLIAM STREET, WELLESLEY, MASSACHUSETTS (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	02481 (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (781) 237-5100
SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, $1 PAR VALUE	NEW YORK STOCK EXCHANGE, INC.
PREFERRED SHARE PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE, INC.

SECURITIES REGISTERED PURSUANT TO SECTION 12 (g) OF THE ACT: NONE

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

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

The aggregate market value of the common stock, $1 par value, held by nonaffiliates of the registrant on February 25, 2000, was $3,051,477,513.

As of February 25, 2000, there were outstanding, exclusive of treasury shares, 48,656,003 shares of common stock, $1 par value.

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF PERKINELMER, INC.'S PROXY STATEMENT FOR THE 2000 ANNUAL MEETING OF STOCKHOLDERS....................	PART III (Items 10, 11, 12 and 13)

PART I

ITEM 1. BUSINESS

GENERAL BUSINESS DESCRIPTION

PerkinElmer, Inc. (hereinafter referred to as "PerkinElmer", the "Company", or the "Registrant", which terms include the Company's subsidiaries) is a global technology company which provides products and systems to the telecom, medical, pharmaceutical, chemical, semiconductor and photographic markets. The Company has operations in over 100 countries, and is a component of the S&P 500 Index. The Company's continuing operations are classified into four operating segments: Life Sciences, Optoelectronics, Instruments, and Fluid Sciences. In 1999 the Company had sales of $1.4 billion from continuing operations. The Company was incorporated under the laws of the Commonwealth of Massachusetts in 1947.

RECENT DEVELOPMENTS

On October 26, 1999, the Company changed its name from "EG&G, Inc." to "PerkinElmer, Inc." The name change was approved at a Special Meeting of the Stockholders held on September 10, 1999. The Company began trading as (NYSE: PKI) effective October 26, 1999. On August 20, 1999, the Company sold the assets of its Technical Services segment to an affiliate of the Carlyle Group LP for approximately $250 million in cash and the assumption by the buyer of certain liabilities of the Technical Services segment. On May 28, 1999, the Company completed its acquisition of the Analytical Instruments Division of PE Corp. for an aggregate purchase price of approximately $425 million, plus acquisition costs.

OPERATING SEGMENTS

Set forth below is a brief summary of each of the Company's four operating segments (also referred to as "strategic business units" or "SBUs"; and within those SBUs, strategic business enterprises referred to as "SBEs") together with a description of certain of their more significant or recently introduced products, services or operations.

Life Sciences

Our Life Sciences business unit helps solve the complex analytical problems encountered in bio-screening and population screening laboratories by providing chemical reagents, sample handling and measuring instruments, and computer software. In 1999, this business unit had sales of $164 million, representing 12% of our total sales.

Life Sciences comprises two SBEs: Bio-screening and Population Screening. Within the field of bio-screening, Life Sciences focuses on customers engaged in drug discovery and has established a strong presence in high throughput screening (HTS) technologies. HTS involves the surveying of vast libraries of chemicals to detect those that display a particular medicinal property. Customers include the HTS laboratories of the world's major pharmaceutical companies.

In population screening, the subject of the screen is a human patient, typically a large number of patients. For example, newborn babies can be screened for signs of diseases that may be prevented through dietary change or other intervention. Customers include public health authorities in the United States as well as in many European countries.

Principal Products. The principal products of our Life Sciences business unit include:

- Multilabel counters and plate readers for rapid quantitative measurement of light signals;

- Imaging systems to observe and measure cellular and molecular processes;

- Sample handling and laboratory automation devices;

- Chemical reagents to allow heterogeneous and homogeneous assays; and

- Information management software.

New Products. New product releases include:

- The Viewlux(TM) plate reader, a new type of HTS instrument for drug discovery that facilitates higher throughputs by detecting signals from up to 1536 assays simultaneously.

- A new version of the successful VICTOR(TM)multilabel counter, the VICTOR(2)V(TM), includes several new features requested by our customers in the pharmaceuticals industry.

- On the diagnostics side, we have extended our product range with several new test kits and the Specimen Gate(TM) laboratory information management system. PerkinElmer Life Sciences is a Microsoft Certified Solution Provider, and this new product is the first of its type based on modern 32-bit Microsoft tools.

Brand Names. Our Life Sciences business unit offers its products under various brand names including Wallac(TM), Berthold(TM) and DELFIA(R).

Optoelectronics

Our Optoelectronics business unit produces a broad spectrum of optoelectronic products, including high volume and high performance specialty lighting sources, detectors, optical fiber communications components, imaging devices, emitters and receivers, mux arrays, and large area amorphous silicon detectors. In 1999, this business unit had sales of $413 million, representing 30% of our total sales.

The Optoelectronics operations and sales organizations are aligned along three SBEs: Lighting, Imaging and Telecom. Strong relationships exist with major customers in each market including medical, analytical instrumentation, telecommunications, consumer, entertainment, industrial and aerospace.

Principal Products. The principal products of our Optoelectronics business unit include:

- Lighting products such as photo flashlamps, and specialty high-intensity discharge (HID) lighting sources and fiber optic systems (xenon, mercury xenon, krypton-arc, metal halide) for medical diagnostics, dental curing and whitening, video projection, semiconductor lithography, stage and studio lighting, cinema projection lighting, solid-state laser pumping, tanning, signage, aerospace and other lighting applications;

- Imaging products such as linear and two dimensional CCD sensors and cameras for the machine vision and analytical markets, amorphous silicon panels used in digital x-ray imaging and film replacement markets, photomultipliers for use in analytical instruments, and photocells and thermopiles used in gas and thermal monitoring applications;

- Telecom and sensor components such as high speed Indium Gallium Arsenide (InGaAs) PIN photodiodes and avalanche photodiodes (APDs), InGaAs and APD hybrid microelectronic receiver modules, photodiode linear arrays, Dense Wavelength Division Multiplexer (DWDM) channel monitors, custom packaged laser diodes, Erbium Doped Fiber Amplifier (EDFA) pumps, and fiber optic component and cable test equipment. Other products include detectors and sensors for security systems and for climate and lighting controls.

New Products. New product releases include:

- In the Telecom SBE, recent product releases include a 2.5 Gbit InGaAs APD and related APD receiver module and an InGaAs mux array for use in DWDM

channel monitoring.

- The Imaging SBE officially announced its new channel photomultiplier (CPM) product. This product was featured in several industry publications, including Laser Focus World, Sensors, EDN, and Photonics Spectra. In addition, our Amorphous Silicon division made the successful transition from development to production, shipping 41cm x 41cm digital x-ray detectors to GE Medical Systems.

- In the Lighting SBE, record shipments in flashlamps were supported by Six Sigma(R) (see footnote below) quality for the new fourth generation design. Customer acceptance of the new Cermax(R) lighting system for dental curing was strong in 1999.

Brand Names. Our Optoelectronics business unit offers its products under various brand names including Heimann(TM), ILC(R), ORC(TM), Reticon(R), Vactec(TM), Wolfram(TM), Voltarc(R), Q-Arc(TM), Power Systems(TM) and Amorphous Silicon(TM).

Instruments

Our Instruments business unit develops, manufactures and markets sophisticated analytical instruments and imaging detection systems for research laboratories, academia, medical institutions, government agencies and a wide range of industrial applications designed to provide industry-specific "sample to answer" solutions. In 1999, this business unit had sales of $607 million, representing 45% of our total sales.

The Instruments business unit has two SBEs: Analytical Instruments and Detection Systems. Analytical Instruments provide world class analytical solutions employing technologies such as molecular and atomic spectroscopies, high pressure liquid chromatography (HPLC), gas chromatography (GC), and thermal and elemental analysis. These instruments measure a range of substances from biomolecules to organic and inorganic chemicals and have applications in the pharmaceutical, food and beverage, chemical semiconductor and environmental markets. Our Detection Systems SBE provides a broad range of products including walk through weapons detection systems, advanced explosive detection systems, and large cargo inspection systems. Typical applications are in the aviation, transportation, government facilities, customs, and hazardous materials detection markets.

Principal Products. The principal products of our Instruments business unit include:

- Analytical instruments used to accelerate the drug development process, decipher molecular mechanisms of drug actions, monitor and test for environmental pollutants, confirm nutritional content and safety of foods and beverages, and analyze the purity of raw materials used in the development of semiconductor and optical products.

- Detection systems used to inspect cargo for weapons, explosives and contraband, hand-held and walk through metal detectors for security screening, and X-ray based technology to identify weapons, explosives or narcotics in hand carried or checked baggage.

New Products. Recent product releases include:

- ELAN 6100 DRC spectrometer produced through a joint venture between the Company and Sciex, gives semiconductor manufacturers the ability to detect and measure critical elements at the parts per trillion and quadrillion levels, a capacity historically degraded by the interference from argon.

- Turbomass Mass Spectrometer for the determination of volatile organic compounds (VOCs) and semi-volatile organic compounds.

- TurboLC Plus System for Liquid Chromatography provides pharmaceutical companies the ability to quickly screen and identify combinatorial mixtures, as well as isolate and identify potential drug candidates for development.

- HTS 7000 PLUS -- Bio Assay Reader provides a versatile, optimized spectroscopic measurement system for molecular biological research and drug development, useful in applications such as lead screening and therapeutic monitoring, and DNA analysis.

- Spectrum One -- Fourier-transform Infrared (FT-IR) compact system provides major advancements in flexibility, and user-friendly technology for chemical analysis.

Six Sigma(R) is a registered trademark of Motorola, Inc. All other trademarks and registered trademarks referenced herein are owned by the Company and its subsidiaries.

- Linescan(R) V employs state-of-the art electronics and advanced features to improve the reliability of one of the industry's leading X-ray platforms.

- TRX is the first TIP (or "Threat Image Projection") Ready X-ray system approved by the FAA for purchase and development at U.S. airports, and is a software-based system which allows security managers to consistently monitor the baggage screening process.

Brand Names. Our Instruments business unit offers its products under various brand names including Astrophysics(TM), Vivid(R), Princeton Applied Research(TM), ORTEC(R), Signal Recovery(TM) and Fiber Optics(TM).

Fluid Sciences

Our Fluid Sciences business unit produces static and dynamic seals, sealing systems, solenoid valves, bellows devices, advanced pneumatic components, systems and assemblies and sheet metal-formed products for market-leading original equipment manufacturers and end users. In 1999, this business unit had sales of $180 million, representing 13% of our total sales.

Typical applications for the products of our Fluid Sciences business unit are in the aerospace, semiconductor and power generation equipment markets as well as lubricant and fuel testing.

Principal Products. The principal products of our Fluid Sciences business unit include:

- Welded metal bellows seals that hold the medication in patient pain reduction implants; welded metal bellows for wafer-process vacuum sealing and linear motion devices.

- Valves that provide propulsion and directional control on satellites and actuation or control on aircraft.

- Brush seals and flexible, metallic C- and E-Seals that reduce or eliminate emissions and improve efficiency and fuel consumption in power generation engines.

- Aircraft engine dynamic and static sealing to enhance engine efficiency and reduce fuel consumption.

- UHV/UHP static sealing in gas delivery and process chamber systems, and in laser and memory devices.

- Engine and component durability testing, fuel and lubricant testing, vehicle fleet and fuel system testing.

New Products. New product releases include:

- Alpha-C(R) and Beta-C(TM) Seals, a family of ultra-high vacuum seals developed for use in the increasingly harsh environment of semiconductor processing and vacuum equipment.

- Micromechanical seals designed to be retrofitted into aircraft and other equipment.

- Hydrodynamic seals developed for aircraft and accessory gearbox locations in order to reduce heat generation. The seals operate on a self-generated film of air, which extends seal life.

- Air-breather valves that control gearbox pressure during aircraft climb. This product was developed at customer request and combines our bellows and valve technologies to replace a more expensive competing product.

Brand Names. Our Fluid Sciences business unit offers its products under various brand names, including Pressure Science(TM), Wright Components(TM), Belfab(R), Centurion(TM), Automotive Research(TM), and Missouri Metal Shaping(TM).

Discontinued Operations

For a number of years, the Company had provided services under management and operations contracts to the United States Department of Energy (the "DOE") and reports its former DOE Support segment as discontinued operations. The last of these DOE contracts expired in 1997. The Company is in the process of

negotiating contract closeouts and does not anticipate incurring any material loss in connection with such contracts in excess of previously established reserves.

On August 20, 1999, the Company sold the assets of its Technical Services segment, including the capital stock of EG&G Defense Materials, Inc., a subsidiary of the Company, to EG&G Technical Services, Inc., an affiliate of The Carlyle Group LP for approximately $250 million in cash and the assumption by the buyer of certain liabilities of the Technical Services segment. Through its Technical Services segment, the Company provided engineering, scientific, management and technical support services to a broad range of governmental and industrial customers. In 1999, Technical Services had sales of $303 million, reported as discontinued operations.

MARKETING

All four of the Company's business units, Life Sciences, Optoelectronics, Instruments and Fluid Sciences, market their products and services through their own specialized sales forces as well as independent foreign and domestic manufacturer representatives and distributors. In certain foreign countries, these operating segments have entered into joint venture and license agreements with local firms to manufacture and market their products.

RAW MATERIALS AND SUPPLIES

Raw materials and supplies used by the Company are generally readily available in adequate quantities from domestic and foreign sources.

PATENTS AND TRADEMARKS

While the Company's patents, trademarks and licenses in the aggregate are important to its business, the Company does not believe that the loss of any one patent, trademark or license or group of related patents, trademarks or licenses would have a materially adverse effect on the overall business of the Company or on any of its operating segments. The Company has both trademarks and registered trademarks for a variety of its product names. Registration of the PerkinElmer(TM) trademark is pending.

BACKLOG

At January 2, 2000, the Company had a backlog in continuing operations of approximately $400 million compared to $305 million at January 3, 1999. The increase was primarily due to the acquisition of the Analytical Instruments business from PE Corp. The Company includes in backlog only those orders for which it has received a completed purchase order. The Company estimates that more than 95% of its backlog as of January 2, 2000 will be billed during 2000. Certain of these orders are subject to cancellation by the customer with payment of a negotiated charge. Because of the possible changes in delivery schedules, cancellation of orders and potential delays in product shipments, the Company's backlog as of any particular date may not necessarily be representative of actual sales for any succeeding period.

GOVERNMENT CONTRACTS

Sales to U.S. government agencies, which were predominantly to the United States Department of Defense and NASA in the former Technical Services segment, which is reported as discontinued operations, were $326 million, $524 million and $537 million in 1999, 1998 and 1997, respectively. Costs incurred under cost-reimbursable contracts are subject to audit by the government. The results of prior audits, which have been completed through 1995, have not had a material effect on the Company.

COMPETITION

Due to the variety of products and services offered by the Company, it faces a wide range of competition and competitors. The Company in general, however, faces strong competition in a number of markets. This affects its ability to sell its products and services and the prices at which such products and services are sold.

Competitors range from large organizations, both domestic and international, that produce a comprehensive array of goods and services and may have greater financial and other resources than the Company, to smaller organizations which focus on specific market niches.

In the Life Sciences segment, competition is on the basis of product availability and reliability, and service level. Size of the competition ranges from multinational organizations with a wide range of products to specialized firms that in some cases have well established market niches. The Company competes in these markets on the basis of innovative technologies, product differentiation and quality. The proportion of large competitors in this segment is expected to increase through the continued consolidation of competitors.

In the Optoelectronics segment, no single competitor competes directly with this segment across its full product range. However, the Company does compete with specialized manufacturing companies in the manufacture and sale of specialty flashtubes and lighting sources, certain photodetectors and photodiodes, and switched power supplies. Competition is based on price, technological innovation, operational efficiency and product reliability and quality.

In the Instruments segment, the Company faces a similar situation in that no single competitor competes directly with this segment as a whole. The Company competes with instrument companies that serve particular segments of markets in nuclear and industrial instrumentation, and imaging detection systems. The Company competes in this segment primarily on the basis of product performance, product reliability, service and price.

In the Fluid Sciences segment, competition is typically based on product innovation, quality, service and price. In a few markets, competitors are large, diversified engineering and manufacturing concerns. Most of the Company's competitors, however, are small specialized manufacturing companies offering fewer product lines for narrower market segments. Competition for lubricant testing services is from a few specialized testing companies and some customer-owned laboratories, and is mainly based on quality and price.

Within all operating segments of the Company, competition for governmental purchases of both products and services is subject to mandated procurement procedures and competitive bidding practices. The Company competes primarily on the basis of product performance, technological innovation, service and price.

RESEARCH AND DEVELOPMENT

During 1999, 1998 and 1997, Company-sponsored research and development expenditures were approximately $71 million, $46 million and $45 million, respectively. These expenditures were incurred primarily in the Company's Life Sciences, Instruments and Optoelectronics operating segments.

ENVIRONMENTAL COMPLIANCE

The Company is conducting a number of environmental investigations and remedial actions at current and former Company locations and, along with other

companies, has been named a potentially responsible party (PRP) for certain waste disposal sites. The Company accrues for environmental issues in the accounting period that the Company's responsibility is established and when the cost can be reasonably estimated. The Company has accrued $12.3 million as of January 2, 2000, representing management's estimate of the total cost of ultimate disposition of known environmental matters. Such amount is not discounted and does not reflect any recovery of any amounts through insurance or indemnification arrangements. These cost estimates are subject to a number of variables, including the stage of the environmental investigations, the magnitude of the possible contamination, the nature of the potential remedies, possible joint and several liability, the timeframe over which remediation may occur and the possible effects of changing laws and regulations. For sites where the Company has been named a PRP, management does not currently anticipate any additional liability to result from the inability of other significant named parties to contribute. The Company expects that such accrued amounts could be paid out over a period of up to five years. As assessments and remediation activities progress at each individual site, these liabilities are reviewed and adjusted to reflect additional information as it becomes available. There have been no environmental problems to date that have had or are expected to have a material effect on the Company's financial position or results of operations. While it is

reasonably possible that a material loss exceeding the amounts recorded may have been incurred, the preliminary stages of the investigations make it impossible for the Company to reasonably estimate the range of potential exposure.

EMPLOYEES

As of March 1, 2000, the Company employed approximately 12,000 persons. Certain of the Company's subsidiaries are parties to contracts with labor unions. The Company considers its relations with employees to be satisfactory.

FINANCIAL INFORMATION ABOUT OPERATING SEGMENTS

Sales and operating profit by segment for the three years ended January 2, 2000 are shown in the table below:

(IN THOUSANDS)	1999	1998	1997
LIFE SCIENCES			
Sales	$ 163,587	$148,124	$125,380
Operating Profit	15,453	9,046	10,108
OPTOELECTRONICS			
Sales	412,592	268,558	261,291
Operating Profit (Loss)	34,934	(5,454)	(23,128)
INSTRUMENTS			
Sales	607,281	247,388	236,839
Operating Profit (Loss)	(9,351)	6,659	17,966
FLUID SCIENCES			
Sales	179,669	167,646	127,087
Operating Profit	22,204	5,194	8,846
OTHER			
Sales	--	22,666	176,885
Operating Profit	3,412	104,279	13,227
CONTINUING OPERATIONS			
Sales	1,363,129	854,382	927,482
Operating Profit	66,652	119,724	27,019

The Company's Technical Services segment and former Department of Energy segment are presented as discontinued operations and, therefore, are not included in the preceding table. The results for the periods presented included certain nonrecurring items which are discussed in the Management's Discussion and Analysis section of this document.

Additional information relating to the Company's operating segments is as follows:

(IN THOUSANDS)	DEPRECIATION AND AMORTIZATION EXPENSE 1999	1998	1997	CAPITAL EXPENDITURES 1999	1998	1997
Life Sciences	$ 6,189	$ 5,059	$ 4,091	$ 7,465	$ 5,415	$ 3,352
Optoelectronics	34,430	25,615	19,528	21,155	17,256	21,312
Instruments	17,292	10,573	11,688	6,555	8,382	7,616
Fluid Sciences	7,093	6,042	3,090	4,515	10,325	9,488
Other	1,111	1,221	4,301	1,402	3,111	5,874
Continuing operations	$66,115	$48,510	$42,698	$41,092	$44,489	$47,642
Discontinued operations	$ 841	$ 1,869	$ 1,914	$ 1,341	$ 2,033	$ 1,087

(IN THOUSANDS)	TOTAL ASSETS 1999	1998
Life Sciences	$ 125,025	$ 128,970
Optoelectronics	448,453	479,818
Instruments	854,452	183,590
Fluid Sciences	102,421	112,898
Other	184,289	233,502
	$1,714,640	$1,138,778

Other total assets consisted primarily of cash and cash equivalents, prepaid pension, prepaid taxes and, in 1998, net assets of discontinued operations.

FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS

The following geographic area information for continuing operations includes sales based on location of external customer and net property, plant and equipment based on physical location:

(IN THOUSANDS)	SALES 1999	1998	1997
U.S.	$ 661,609	$447,793	$512,503
Germany	98,787	67,647	71,390
Japan	73,567	28,306	21,630
United Kingdom	71,493	47,794	65,462
Italy	56,433	17,565	19,204
France	50,282	35,329	44,417
Other Non-U.S.	350,958	209,948	192,876
	$1,363,129	$854,382	$927,482

(IN THOUSANDS)	NET PROPERTY, PLANT AND EQUIPMENT 1999	1998

U.S.	$133,812	$133,550
Germany	21,570	21,923
Finland	17,277	15,431
Canada	14,718	8,861
United Kingdom	13,282	3,453
Other Non-U.S.	27,375	35,462
	$228,034	$218,680

Effectively all of the sales and net property, plant and equipment of the discontinued operations (consisting of the Technical Services segment and former DOE segment) were U.S. based.

ITEM 2. PROPERTIES

As of March 1, 2000, the Company occupied approximately 4,048,400 square feet of building area, of which approximately 1,889,400 square feet is owned by the Company. The balance is leased. The Company's headquarters occupies 53,350 square feet of leased space in Wellesley, Massachusetts. The Company's other operations are conducted in manufacturing and assembly plants, research laboratories, administrative offices and other facilities located in 14 states and 41 foreign countries.

Non-U.S. facilities account for approximately 1,760,900 square feet of owned and leased property, or approximately 43% of the Company's total occupied space.

The Company's leases on property are both short-term and long-term. In management's opinion, the Company's properties are well-maintained and are adequate for its present requirements.

Substantially all of the machinery and equipment used by the Company is owned by the Company and the balance is leased or furnished by contractors or customers.

The following table indicates the approximate square footage of real property owned and leased attributable to each of the Company's industry segments.

	OWNED (SQ. FEET)	LEASED (SQ. FEET)	TOTAL (SQ. FEET)
Life Sciences	241,600	142,300	383,900
Optoelectronics	689,100	743,100	1,432,200
Instruments	649,200	1,133,500	1,782,700
Fluid Sciences	305,000	86,700	391,700
Corporate Offices	4,600	53,400	57,900
CONTINUING OPERATIONS	1,889,500	2,159,000	4,048,400

ITEM 3. LEGAL PROCEEDINGS

The Company is subject to various claims, legal proceedings and investigations covering a wide range of matters that arise in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company has established accruals for matters that are probable and reasonably estimable. Management believes that any liability that may ultimately result from the resolution of these matters in excess of amounts provided will not have a material adverse effect on the financial position or results of operations of the Company.

The Company has received notices from the Internal Revenue Service (IRS) asserting deficiencies in federal corporate income taxes for the Company's 1985

to 1994 tax years. The total additional tax proposed by the IRS amounts to $74 million plus interest. The Company has filed petitions in the United States Tax Court to challenge most of the deficiencies asserted by the IRS. The Company believes that it has meritorious legal defenses to those deficiencies and believes that the ultimate outcome of the case will not result in a material impact on the Company's consolidated results of operations or financial position.

The Company and its subsidiary, EG&G Idaho, Inc., have been named as defendants in a lawsuit filed in the United States District Court for the District of Idaho and served in November 1998. The suit was filed under the Civil False Claims Act by two former employees of EG&G Idaho, and names as defendants six entities which were formerly, or currently are, prime or subcontractors to the Department of Energy at the Idaho National Engineering and Environmental Laboratory. The central allegation of the suit is that the defendants submitted false claims to the government for reimbursement of environmental activities which they knew or should have known had been performed improperly or not at all. The damages claimed have not been quantified by the plaintiffs. In November 1999, the Court granted the defendants' motion to dismiss the case under Rule 9(b) of the Federal Rules of Civil Procedure. A restated complaint was filed by the plaintiffs in March 2000, which is currently being reviewed by counsel for the Company. In January 2000, the Company and three other companies were named as defendants in a civil false claim action filed in the United States District Court for the District of Colorado involving security issues at the Department of Energy's Rocky Flats Plant. In March 2000, the Company filed motions to dismiss the case under Rules 9(b) and 12(b)(6) of the Federal Rules of Civil Procedure. Plaintiff's response is due in April 2000. The Company intends to defend itself vigorously in these matters and believes that their ultimate disposition will not have a material impact on the Company's consolidated results of operations or financial position.

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

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Listed below are the executive officers of the Company as of March 1, 2000. No family relationship exists between any of the officers.

NAME	POSITION	AGE
Gregory L. Summe	Chairman of the Board, Chief Executive Officer and President	43
Robert F. Friel	Senior Vice President and Chief Financial Officer	44
Terrance L. Carlson	Senior Vice President, General Counsel and Clerk	47
Angelo D. Castellana	Senior Vice President	58
Richard F. Walsh	Senior Vice President	47
Robert A. Barrett	Senior Vice President	56
Patrik Dahlen	Senior Vice President	38
John J. Engel	Senior Vice President	38
Robert J. Rosenthal	Senior Vice President	43
Gregory D. Perry	Vice President, Control and Treasury	39

Mr. Summe joined the Company in 1998 as President and Chief Operating Officer, was elected President and Chief Executive Officer in December 1999, and Chairman of the Board in April 1999. Until late 1997, he was President of AlliedSignal's Automotive Products Group. AlliedSignal, Inc., which recently merged with Honeywell and became known as Honeywell International, is a $24 billion multi-product company, which has operations in aerospace, automotive and engineered materials businesses. Prior to being appointed President of AlliedSignal's Automotive Products Group in 1997, Mr. Summe served as President of AlliedSignal's Aerospace Engines from 1995 to 1997 and as President of AlliedSignal's General Aviation Avionics from 1993 to 1995.

Mr. Friel joined the Company in February 1999 as Senior Vice President and

Chief Financial Officer. From 1997 to 1999 he was Corporate Vice President and Treasurer of AlliedSignal, Inc., which is described above. Prior to that he was Vice President, Finance and Administration of AlliedSignal Engines from 1992 to 1996.

Mr. Carlson joined the Company in June 1999 as Senior Vice President, General Counsel and Clerk. From 1997 to 1999 he was Deputy General Counsel of AlliedSignal, Inc. Prior to that he was Vice President and General Counsel of AlliedSignal Aerospace from 1994 to 1997, and from 1986 to 1994 he was a partner in the law firm of Gibson, Dunn & Crutcher.

Mr. Castellana joined the Company in 1965. He was elected a Vice President in 1991 and a Senior Vice President in 1997 and serves as a principal executive in the Office of the Chief Executive Officer, overseeing productivity improvements and sourcing, and special assignments.

Mr. Walsh joined the Company in July 1998 as Senior Vice President of Human Resources. From 1989 to 1998, he served as Senior Vice President of Human Resources of ABB Americas, Inc., the U.S. based subsidiary of an international engineering company.

Mr. Barrett was elected a Vice President of the Company in January 1997 and a Senior Vice President in January 2000. He has served as President of the Fluid Sciences Strategic Business Unit since May 1998. From 1990 to 1997, he served as President and General Manager of the Company's Pressure Science division.

Mr. Dahlen was elected a Vice President of the Company in October 1999 and a Senior Vice President in January 2000. He has served as President of the Life Sciences Strategic Business Unit since September 1999. From April through October 1999, Mr. Dahlen was General Manager of the Reticon division of the

Optoelectronics Strategic Business Unit. From September 1995 through April 1999 Mr. Dahlen was Director of Marketing and General Manager of US Diagnostics for the Life Sciences Strategic Business Unit. Mr. Dahlen had been Marketing Manager of Wallac Oy, a subsidiary of the Company, from February 1995 until September 1995. During 1994 he was Director, Diagnostic Systems at Wallac Oy. Mr. Dahlen is a citizen of Finland.

Mr. Engel was elected a Vice President of the Company in April 1999 and a Senior Vice President in January 2000. He has served as President of the Optoelectronics Strategic Business Unit since March 1999. Mr. Engel had been associated with AlliedSignal since 1994, serving as Vice President and General Manager of Business and General Aviation from 1997 to March 1999, Vice President of the Flight Controls Enterprise in 1996, and Director of the Radar and Collision Avoidance Enterprise from 1994 to 1995.

Dr. Rosenthal was elected a Vice President of the Company in April 1999 and a Senior Vice President in January 2000. He has served as President of the Instruments Strategic Business Unit since March 1999. Dr. Rosenthal had been President and Chief Executive Officer of Thermo Optek Corporation since January 1998. Thermo Optek Corporation is an analytical instrumentation company focusing on energy and light measurement, and is a subsidiary of Thermo Electron. Dr. Rosenthal became a Senior Vice President of Thermo Optek in August 1996, Executive Vice President and Chief Operating Officer in November 1996, and President and Chief Operating Officer in April 1997. Prior to that, Dr. Rosenthal was President of Nicolet Instrument Corporation since 1993.

Mr. Perry joined the Company in September 1998 as Controller, and was elected Vice President, Control and Treasury in 1999. From 1997 to 1998, he served as Chief Financial Officer of AlliedSignal's Automotive Products Group and as Chief Financial Officer of AlliedSignal's Fram and Autolite Units. Prior to 1997, he served as Vice President, Finance of GE Medical Systems Europe from 1994 to 1997, and served as Manager in charge of business development for GE Motors from 1991 to 1994.

PART II

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

MARKET PRICE OF COMMON STOCK

	1998 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
High	$28.50	$33.75	$30.13	$29.44
Low	19.44	27.13	18.88	20.50

	1999 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
High	$30.19	$36.25	$39.94	$45.00
Low	25.50	26.50	31.50	36.63

DIVIDENDS

	1998 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
Cash Dividends Per Common Share	$.14	$.14	$.14	$.14

	1999 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
Cash Dividends Per Common Share	$.14	$.14	$.14	$.14

The Company's common stock is listed and traded on the New York Stock Exchange. The number of holders of record of the Company's common stock as of February 25, 2000, was approximately 9,000.

In October 1999, the Board of Directors of the Company declared a regular quarterly cash dividend of fourteen cents per share of common stock. The quarterly cash dividend was paid on February 10, 2000, to stockholders of record at the close of business on January 21, 2000.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL INFORMATION
FOR THE FIVE YEARS ENDED JANUARY 2, 2000

(IN THOUSANDS WHERE APPLICABLE)	1999	1998	1997	1996	1995
OPERATIONS:					
Sales	$1,363,129	$ 854,382	$927,482	$928,287	$887,313
Operating income from continuing operations	66,652(1)	119,724(5)	27,019(9)	56,265	50,628
Income from continuing operations	28,371(2)	79,001(6)	9,562(10)	34,264	33,340
Income from discontinued operations, net					

of income taxes......................	15,665	23,001(7)	24,130	25,892	34,700
Gain on disposition of discontinued					
operations, net of income taxes.......	110,280(3)	--	--	--	--
Net income............................	154,316(2)(3)	102,002(6)(7)	33,692(10)	60,156	68,040
Basic earnings per share:					
Continuing operations................	.62(2)	1.74(6)	.21(10)	.72	.64
Discontinued operations..............	2.77(3)	.51(7)	.53	.55	.68
Net income...........................	3.39(2)(3)	2.25(6)(7)	.74(10)	1.27	1.32
Diluted earnings per share:					
Continuing operations................	.61(2)	1.72(6)	.21(10)	.72	.64
Discontinued operations..............	2.70(3)	.50(7)	.53	.55	.68
Net income...........................	3.31(2)(3)	2.22(6)(7)	.74(10)	1.27	1.32
Weighted-average common shares outstanding:					
Basic................................	45,522	45,322	45,757	47,298	51,483
Diluted..............................	46,569	45,884	45,898	47,472	51,573
Return on equity......................	32.5%(4)	28.0%(8)	9.7%(11)	16.4%	16.8%
FINANCIAL POSITION:					
Total assets..........................	$1,714,640	$1,138,778	$777,737	$774,761	$757,927
Short-term debt.......................	382,162	157,888	46,167	21,499	5,275
Long-term debt........................	114,855	129,835	114,863	115,104	115,222
Long-term liabilities.................	196,511	124,799	95,940	76,087	63,816
Stockholders' equity..................	550,776	399,667	328,388	365,106	366,946
Total debt/total capital..............	47%	42%	33%	27%	25%
Common shares outstanding.............	46,366	44,746	45,333	46,309	47,610
CASH FLOWS:					
Cash flows from continuing operations...	$ 108,768	$ 40,853	$ 11,405	$ 48,291	$ 80,868
Cash flows from discontinued					
operations............................	7,061	28,702	23,433	31,867	69,297
Cash flows from operating activities....	115,829	69,555	34,838	80,158	150,165
Depreciation and amortization..........	66,115	48,510	42,698	38,861	37,432
Capital expenditures...................	41,092	44,489	47,642	78,796	60,689
Purchases of common stock..............	970	41,217	28,104	30,760	135,079
Cash dividends per common share.........	.56	.56	.56	.56	.56

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(1) Operating income from continuing operations included net nonrecurring expense items totaling $52.1 million pre-tax.

(2) Income from continuing operations included the items in (1) above, plus net nonrecurring other income items totaling $3.5 million pre-tax. The net nonrecurring items, which are discussed in the notes to the consolidated financial statements and the Management's Discussion and Analysis sections of this document, totaled $35.2 million after-tax ($.77 basic, $.76 diluted loss per share).

(3) Discontinued operations included a $181 million nonrecurring pre-tax gain on disposition, $110 million after-tax ($2.42 basic, $2.37 diluted earnings per share).

(4) Return on equity before effects of nonrecurring items was 18.1%.

(5) Operating income from continuing operations included net nonrecurring income items totaling $62.5 million pre-tax.

(6) Income from continuing operations included the items in (5) above, plus a $4.3 million pre-tax investment gain. The net nonrecurring items, which are discussed in the notes to the consolidated financial statements and the Management's Discussion and Analysis sections of this document, totaled $44.7 million after-tax ($.99 basic, $.97 diluted earnings per share).

(7) Discontinued operations included nonrecurring expense items related to restructuring and other charges totaling $6.8 million pre-tax, $4.1 million after-tax ($.09 basic and diluted loss per share).

(8) Return on equity before effects of nonrecurring items was 17.9%.

(9) Operating income from continuing operations included an asset impairment charge of $28.2 million pre-tax.

(10) Income from continuing operations included the item in (9) above, plus a $3.4 million pre-tax cost of capital reimbursement. The net nonrecurring items, which are discussed in the notes to the consolidated financial statements and Management's Discussion and Analysis sections of this document, totaled $21.2 million after-tax ($.46 basic and diluted loss per share).

(11) Return on equity before effects of nonrecurring items was 15.4%.

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

OVERVIEW

During 1999, the Company accelerated its transformation towards becoming a high-technology global leader. In addition to significantly improving the operating performance of the Company during 1999, several acquisitions and divestitures were concluded which have shifted the portfolio of businesses to higher growth potential including:

- acquisition of the Analytical Instruments business from PE Corp.

- divestiture of government services business

- divestiture of structural kinematics business

These transactions resulted in gains from the divestitures and acquisition-related charges. In addition, the Company's continued restructuring efforts during 1999 resulted in certain one-time items. The table presented below reconciles the reported results of the Company in the accompanying financial statements to the financial results before these nonrecurring items. On this adjusted basis (which includes results of discontinued operations through the date of divestiture), EPS expanded 27% during 1999 to $1.70 versus $1.34 in 1998. Excluding results of discontinued operations, 1999 adjusted EPS was $1.36 versus $.75 in 1998, representing an 81% increase.

	1999	1998
Diluted EPS, as reported	$ 3.31	$ 2.22
Gains on dispositions	(2.63)	(1.91)
Acquisition-related charges	.51	.05
Restructuring and other one-time items	.51	.98
"Adjusted" EPS	$ 1.70	$ 1.34

DISCUSSION OF CONSOLIDATED RESULTS OF OPERATIONS -- 1999 COMPARED TO 1998

Over the past two years, the mix of the Company's consolidated revenues from continuing operations has changed significantly, which resulted in reported sales from continuing operations of $1,363 million in 1999 versus $854 million in 1998, representing a 60% increase. Organic growth for 1999 totaled 8%, which the Company defines as growth in historical businesses plus growth in acquired businesses assuming they were owned in prior periods, reduced for the effects of exited businesses and foreign exchange. Revenues by segment during 1999 versus 1998 are discussed in further detail below under the caption "Segment Results of Operations."

Due to the number of changes in the portfolio of businesses, the table presented below reconciles reported operating profit from continuing operations to operating profit before nonrecurring items.

	PRE-TAX OPERATING INCOME	
(IN THOUSANDS)	1999	1998
As reported	$ 66,652	$ 119,724
Gains on dispositions	(17,750)	(125,822)
Acquisition-related charges	32,857	2,300
Restructuring charges and other one-time items, net	36,948	61,027

Adjusted operating profit................................	$118,707	$ 57,229
	========	=========

Adjusted operating income before nonrecurring items was $118.7 million for 1999 versus $57.2 million in 1998, representing an increase of $61.5 million, or 107%, during 1999 compared to 1998. On an adjusted basis, operating margin increased 200 basis points to 8.7% of consolidated sales for 1999 versus 1998 operating

margin of 6.7%. The increase in operating profit during 1999 was due to higher revenues discussed above, the benefits from restructuring activities and Six Sigma productivity initiatives, and the changes in the portfolio of businesses as the acquired businesses have higher margins than those divested.

SEGMENT RESULTS OF OPERATIONS

The Company's businesses are reported as four segments, reflecting the Company's management methodology and structure. The Company's Technical Services segment has been classified as discontinued operations due to its divestiture during 1999. The accounting policies of the segments are the same as those described in the footnotes to the accompanying consolidated financial statements. The Company evaluates performance based on operating profit of the respective segments. The discussion that follows is a summary analysis of the primary changes in operating results by segment for 1999 versus 1998 and 1998 versus 1997.

Life Sciences

1999 Compared to 1998

Sales of $163.6 million for 1999 increased $15.5 million versus 1998. Adjusting for the impact of the stronger dollar, revenue growth during 1999 was 17%. Higher volumes from continued strength in the high throughput screening and genetic disease screening markets, and revenues from new products were the primary contributors to this increase during 1999.

Reported operating profit was $15.5 million during 1999 versus $9 million in 1998, representing an increase of $6.5 million, or 72%. 1999 operating profit included net restructuring charges of $5.8 million. Excluding nonrecurring items in 1999 and 1998, operating profit increased $7.6 million during 1999 to $21.3 million representing a 55% increase versus 1998. Higher sales discussed above and increased gross margins across most businesses, driven primarily by higher-margin new products sold in 1999, were the primary contributors for the overall 1999 increase compared to 1998.

1998 Compared to 1997

Sales for 1998 were $148.1 million compared to $125.4 million for 1997, which represented a $22.7 million, or 18%, increase. Higher sales volumes from certain base businesses, revenues from recently developed products and the Isolab acquisition revenues of $6.5 million were the primary reasons for the increase during 1998. The higher volumes during 1998 primarily related to the high throughput screening and genetic disease screening businesses.

Reported operating profit for 1998 was $9 million compared to $10.1 million for 1997, which represents a $1.1 million, or 11%, decrease. Restructuring charges of $4.6 million recorded in the first half of fiscal 1998 contributed to this decrease. 1998 base operating profit was $13.6 million compared to $10.3 million for 1997, which represented a $3.3 million, or 32%, increase. The increase was due primarily to the higher revenues discussed above and improved gross margins from most businesses resulting from higher sales of higher margin products and continued improvements in quality.

Optoelectronics

1999 Compared to 1998

Sales for 1999 were $412.6 million, compared to 1998 sales of $268.6 million, representing an increase of $144 million, or 54%. Revenue from the acquired specialty lighting business and strong organic growth was partially

offset by softness in the sensors business and exited businesses.

Reported operating profit for 1999 was $34.9 million versus an operating loss of $5.5 million in 1998. The 1999 operating income included net restructuring charges of $5.5 million and an asset impairment charge of $3 million. Excluding nonrecurring items, operating profit in 1999 and 1998 was $43.4 million and $17.1 million, respectively, representing an increase of $26.3 million, or 154%. The 1999 increase was primarily due to higher revenues discussed above, higher margin new products, the exiting from unprofitable businesses and the shift by the Company to lower cost manufacturing areas.

1998 Compared to 1997

Sales for 1998 were $268.6 million compared to $261.3 million for 1997, which represents a $7.3 million, or 3%, increase. Slight increases in sales across most businesses were partially offset by lower 1998 printer circuit board assembly sales versus 1997.

Reported operating loss for 1998 was $5.5 million compared to a loss of $23.1 million for 1997 which represents an increase of $17.6 million, or 76%. Restructuring charges of $20.3 million were recorded in the first half of fiscal 1998 and a fourth quarter charge of $2.3 million was recorded for an in-process research and development charge related to the Lumen acquisition; each contributed to the 1998 operating loss. 1998 base operating profit was $17.1 million compared to $5.3 million for 1997, which represented an $11.8 million, or 223%, increase. Higher gross margins across most businesses, favorable product mix, and various operational improvement initiatives to lower production costs were the primary contributors to this increase.

Instruments

1999 Compared to 1998

Sales for 1999 and 1998 were $607.3 million and $247.4 million, respectively, increasing $359.9 million, or 145%, during 1999 compared to 1998. 1999 revenues from acquisitions and higher security revenues during 1999 offset the effects of divestitures and lower revenues in certain base businesses, primarily automotive, compared to 1998.

PEAI acquisition purchase accounting charges and certain nonrecurring items during 1999 contributed to a reported operating loss of $9.4 million versus operating income of $6.7 million in 1998. The 1999 operating loss included the following: $23 million charge related to acquired in-process research and development; a $9.9 million charge related to the revaluation of acquired inventory; net restructuring charges of $1.4 million; an asset impairment charge of $15 million and other repositioning costs of $4.4 million. Excluding nonrecurring items in 1999 and 1998, operating profit in 1999 increased $19 million, or 75%, to $44.3 million compared to 1998. Operating profit from the acquired PEAI and Lumen photolithography businesses were partially offset by the effects of depressed market conditions in the security and automotive businesses during most of 1999.

1998 Compared to 1997

Sales for 1998 were $247.4 million compared to $236.8 million for 1997, which represented a $10.6 million, or 4%, increase. This was due primarily to the effects of a $4.5 million increase in automotive business revenues and $4 million of royalty and licensing fees. These increases were partially offset by a 6% decrease in 1998 X-ray revenues due to an overall softening in the security markets.

Reported operating profit for 1998 was $6.7 million compared to $18 million for 1997, which represents a decrease of $11.3 million, or 63%. Restructuring charges of $11.3 million and an asset impairment charge of $7.4 million were recorded in the first half of 1998 and contributed to this decrease. 1998 base operating profit was $25.3 million compared to $20.6 million for 1997, which represents a $4.7 million, or 23%, increase. Base operating income in 1998 increased versus 1997 due primarily to the royalty and licensing fees, which contributed $3.1 million to operating income, and a $2 million refund of sales and use taxes which were offset in part by customer contract provisions.

Fluid Sciences

1999 Compared to 1998

During the third quarter of 1999, the Company's business segment previously referred to as Engineered Products was renamed Fluid Sciences.

Sales for 1999 were $179.7 million compared to $167.6 million in 1998, representing a $12.1 million, or 7%, increase. Recovery in the semiconductor industry and continued growth in the power generation businesses offset continued weakness in the aerospace markets and the absence of revenues from businesses exited by the Company during 1998, primarily certain sheetmetal fabrication operations.

Reported 1999 operating profit increased $17 million, or 327%, to $22.2 million compared to $5.2 million in 1998. The 1999 operating income included a net restructuring credit of $2.2 million discussed more fully in the Restructuring Charges section herein. Excluding 1999 and 1998 nonrecurring items, 1999 operating profit was $20 million versus $15.7 million in 1998, representing an increase of $4.3 million, or 27%. Higher sales discussed above and higher gross margins due to Six Sigma and restructuring initiatives were the primary factors contributing to the increase in 1999 versus 1998.

1998 Compared to 1997

Sales for 1998 were $167.6 million compared to $127.1 million for 1997, which represents a $40.5 million, or 32%, increase. Modest strength in the Company's aerospace business partially contributed to the increase and was offset in part by market softness which affected the semiconductor business. The Belfab acquisition completed in the second quarter of 1998 contributed $17.2 million while most other segment businesses recorded higher 1998 sales compared to 1997. Excluding the acquisition, revenues in 1998 increased approximately 18% compared to 1997.

Reported operating profit for 1998 was $5.2 million compared to $8.8 million for 1997, which represented a decrease of $3.6 million, or 41%. Restructuring charges of $9.9 million recorded in the first half of 1998 and $0.6 million of integration costs recorded in the third quarter of 1998 contributed to this decrease. 1998 base operating profit was $15.7 million compared to $9.3 million for 1997, which represented an increase of $6.4 million, or 69%. Higher gross margins driven primarily by higher sales levels and certain manufacturing cost improvements across most businesses within the segment contributed to this increase. Belfab did not contribute to operating profit during 1998.

CONSOLIDATED RESULTS -- RESTRUCTURING AND ASSET IMPAIRMENT CHARGES

In 1997, as part of a plan to reposition its operations, the Company recorded $7.8 million of integration costs, which included $4.4 million related to employee separation costs and $3.4 million related to its consolidation effort. These costs were included in selling, general and administrative expenses.

The Company developed restructuring plans during 1998 to integrate and consolidate its businesses and recorded restructuring charges in the first and second quarters of 1998. The Company developed additional plans during the third quarter of 1999 to restructure certain businesses to continue to improve the Company's performance. Each plan is discussed separately below and in more detail in Note 3 to the accompanying consolidated financial statements.

First Quarter of 1998 Plan

During the first quarter of 1998, management developed a plan to restructure certain businesses. A discussion of the businesses affected within each segment is presented in detail in Note 3. The plan resulted in pre-tax restructuring charges totaling $30.5 million. The principal actions in the restructuring plan included close-down or consolidation of a number of offices and facilities, transfer of assembly activities to lower cost geographic locations, disposal of underutilized assets, withdrawal from certain product lines and general cost reductions.

Second Quarter of 1998 Plan

During the second quarter of 1998, the Company expanded its continuing effort to restructure certain businesses to further improve performance. The plan resulted in additional pre-tax restructuring charges of $19.5 million. The principal actions in this restructuring plan included the integration of operating divisions into five strategic business units (SBUs), close-down or consolidation of a number of production facilities and general cost reductions. As discussed in Note 8 to the accompanying financial statements, the Company has since divested its Technical Services segment. Pre-tax restructuring charges of $4.5 million were charged to discontinued operations in 1998 ($0.9 million in the first quarter and $3.6 million in the second quarter), primarily related to severance benefits, all of which have been incurred as of January 2, 2000.

Third Quarter of 1999

During the third quarter of 1999, due to the substantial completion of the actions of the 1998 restructuring plans, the Company reevaluated its 1998 restructuring plans. As a result of this review, costs associated with the previously planned shutdown of two businesses were no longer required due to actions taken to improve performance. As a result of these recent developments, the Company recognized a restructuring credit of $12 million during the third quarter of 1999, which primarily affected the Fluid Sciences and Optoelectronics segments. The $12 million credit is reflected in "Restructuring Charges, Net" in the Consolidated Income Statements.

The acquisitions by the Company discussed in Note 2 to the accompanying consolidated financial statements and the Company's divestiture during the third quarter of 1999 of its Technical Services segment discussed in Note 8 to the accompanying consolidated financial statements (exiting government services) were strategic milestones in the Company's transition to a commercial high-technology company. Consistent with the strategic direction of the Company and concurrent with the reevaluation of existing restructuring plans during the third quarter of 1999, the Company developed additional plans during the third quarter of 1999 to restructure certain businesses to continue to improve the Company's performance.

These plans resulted in a pre-tax restructuring charge of $23.5 million recorded in the third quarter of 1999. The principal actions in these restructuring plans include close-down or consolidation of a number of offices and facilities, transfer of assembly activities to lower-cost geographic locations, disposal of under-utilized assets, withdrawal from certain product lines and general cost reductions. Details related to these restructuring plans are discussed in Note 3 to the accompanying consolidated financial statements.

The components of the restructuring charges met the criteria set forth in Emerging Issues Task Force Issue 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring). The charges do not include additional costs associated with the restructuring plans, such as training, consulting, purchase of equipment and relocation of employees and equipment. These costs were charged to operations or capitalized, as appropriate, when incurred.

As discussed in Note 2 to the accompanying consolidated financial statements, approximately $5 million was recorded as accrued restructuring charges in connection with the Lumen acquisition and approximately $28 million was recorded as accrued restructuring charges in connection with the acquisition of PEAI.

Cash outlays during 1999 and 1998 were $32.5 million and $23.5 million, respectively, for all of the plans discussed above. The Company expects to incur approximately $25-$30 million of cash outlays in connection with these plans throughout fiscal 2000. These funds will come from operating cash flows or borrowing from existing credit facilities. The estimated full year's pre-tax savings under the restructuring plans, due primarily to lower depreciation and lower employment costs, when the plans are fully implemented are anticipated to be approximately $27-$30 million, or $.37 to $.42 per share.

During the third quarter of 1999, in connection with its ongoing review of its portfolio of businesses, the Company conducted a strategic review of certain

units within its business segments. The strategic review triggered an impairment review of long-lived assets of certain businesses which are expected to be disposed. The Company calculated the present value of expected cash flows of certain business units to determine the fair value of those assets. Accordingly, in the third quarter of 1999, the Company recorded noncash impairment charges and wrote down goodwill by $15 million in the Instruments segment and $3 million in the Optoelectronics segment. Sales and operating profit for the businesses under strategic review were approximately $54 million and $2 million, respectively, in 1999.

During the second quarter of 1998, the Company recorded a $7.4 million noncash impairment charge related to an automotive testing facility in the Instruments segment. The impairment charge applied to fixed assets and resulted from projected changes in the principal customer's demand for services. The Company calculated the present value of expected cash flows of the testing facility to determine the fair value of the assets.

During the second quarter of 1997, the Company recorded a noncash impairment charge of $28.2 million, with $26.7 million related to IC Sensors in the Optoelectronics segment and $1.5 million related to the goodwill of an environmental services business in Other. As a result of IC Sensors' inability to achieve the improvements specified in its corrective action plan, it continued operating at a loss in the second quarter of 1997, triggering an impairment review of its long-lived assets. A revised operating plan was developed to restructure and stabilize the business. The revised projections by product line provided the basis for measurement of the asset impairment charge. The Company calculated the present value of expected cash flows of IC Sensors' product lines to determine the fair value of the assets. Accordingly, in the second quarter of 1997, the Company recorded an impairment charge of $26.7 million, for a write-down of goodwill of $13.6 million and fixed assets of $13.1 million. The components of the revised operating plan included hiring a new general manager, transferring assembly and test operations to a lower cost environment (Batam, Indonesia), introducing new products and reviewing manufacturing processes to improve production yields. All of these components were implemented during 1997 and 1998. In February 2000, the Company sold its IC Sensors business. The Company does not expect a material gain or loss from disposition.

OTHER

In January 1998, the Company sold its Rotron business unit for proceeds of $103 million. In April 1998, the Company sold its Sealol Industrial Seals operation for proceeds of $100 million, of which $45 million was utilized for the Belfab acquisition. The Company realized gains of $125.8 million on the dispositions.

DISCONTINUED OPERATIONS

On August 20, 1999, the Company sold the assets of its Technical Services segment, including the outstanding capital stock of EG&G Defense Materials, Inc., a subsidiary of the Company, to EG&G Technical Services, Inc., an affiliate of The Carlyle Group LP (the "Buyer"), for approximately $250 million in cash and the assumption by the Buyer of certain liabilities of the Technical Services segment. Details of the transaction are discussed in Note 8 to the accompanying consolidated financial statements.

The results of operations of the Technical Services segment were previously reported as one of five business segments of the Company. The Company accounted for the sale of its Technical Services segment as a discontinued operation in accordance with APB Opinion No. 30 and, accordingly, the results of operations of the Technical Services segment have been segregated from continuing operations and reported as a separate line item on the Company's accompanying Consolidated Income Statements.

Summary operating results of the discontinued operations (through August 20, 1999) were as follows:

(IN THOUSANDS)	1999	1998	1997

Sales	$302,776	$553,514	$613,118
Costs and expenses	278,242	517,762	575,852
Operating income from discontinued operations	24,534	35,752	37,266
Other income	1,147	1,955	1,983
Income from discontinued operations before income taxes	25,681	37,707	39,249
Provision for income taxes	10,016	14,706	15,119
Income from discontinued operations, net of income taxes	$ 15,665	$ 23,001	$ 24,130

OTHER EXPENSE

1999 Compared to 1998

Other expense, net, was $21.8 million in 1999 versus $1.4 million in 1998. This net increase in other expense was due primarily to the impact of higher interest expense on increased debt levels, at higher 1999 short term rates, resulting from acquisitions. Included in 1999 other expense was $2.2 million of income

received by the Company related to the demutualization of a life insurance company in which the Company is a policyholder.

1998 Compared to 1997

Other expense, net, was $1.4 million for 1998 versus $7.6 million for 1997. This net decrease of $6.2 million in other expense, net, in 1998 was due primarily to the impact of higher interest income on increased cash balances resulting from the 1998 dispositions and lower interest expense on reduced debt levels during most of 1998. Included in 1998 other expense, net, was a $4.5 million gain on investment. Other expense, net, in 1997 included income of $3.4 million for a cost of capital reimbursement.

INCOME TAX PROVISION

The provision for income taxes on pre-tax income from continuing operations for 1999 and 1998 was $16.5 million and $39.3 million, respectively. Reported income tax expense as a percent of pre-tax income for 1999 and 1998 was 36.8% and 33.2% respectively, due, in part, to the income tax effect on nonrecurring items. Excluding the asset impairment charges and related tax effects, the effective tax rate was 32% in 1999. The geographical mix of the Company's revenues was affected during the third quarter of 1999 as the Company sold its Technical Services segment and integrated PEAI acquired late in the second quarter of 1999. The income of the Technical Services segment was taxed at the U.S. federal rate and applicable state and local rates given that its revenues were earned domestically. The provision for income taxes related to the Technical Services segment is presented as a component of income from discontinued operations in the accompanying Consolidated Income Statements. As a result, the stand-alone effective tax rate attributable to that segment has historically been higher than the overall 36% effective tax rate for the total Company in the first and second quarters of 1999. The majority of the revenue of PEAI is generated in non-U.S. countries with overall lower tax rates than the historical 36% effective tax rate for the Company prior to the PEAI acquisition.

The 1998 effective tax rate of 33.2% was impacted by the tax consequences of the gains on dispositions and restructuring charges. Excluding these items and their related tax effects, the 1998 effective tax rate was higher than the 1997 base effective rate of 30.6% due primarily to the changes in the geographical distribution of income resulting from the divestiture of the Sealol Industrial Seals business unit.

FINANCIAL CONDITION

Short-term debt at January 2, 2000 was $382 million and included one-year secured promissory notes of $150 million issued to PE Corp. at an interest rate of 5%, money market loans of $85 million and commercial paper borrowings of $140

million. The weighted-average interest rate on the money market loans, which had maturities of 90 days or less, was 6.7%. The weighted-average interest rate on the commercial paper borrowings, which had maturities of 120 days or less, was 6.5%. Short-term debt at January 3, 1999 was $158 million and consisted primarily of commercial paper borrowings of $150 million, at a weighted-average interest rate of 5.4%, that had maturities of 60 days or less. At January 3, 1999, short-term debt also included $6.2 million outstanding under a revolving credit agreement, bearing interest at 9%, assumed by the Company in connection with the Lumen acquisition. This amount was paid off in the first quarter of 1999.

In March 2000, the Company's $250 million revolving credit facility was refinanced and increased to a $300 million revolving credit facility that expires in March 2001. The Company has an additional revolving credit agreement for $100 million that expires in March 2002.

At January 2, 2000, long-term debt included $115 million of unsecured ten-year notes issued in October 1995 at an interest rate of 6.8%, which mature in 2005. The carrying amount approximated the estimated fair value at January 2, 2000, based on a quoted market price. At January 3, 1999, long-term debt also included $14.8 million assumed by the Company in connection with the Lumen acquisition, consisting of unsecured notes of $12.4 million at 8% due in 2002 and a $2.4 million term loan at prime plus 1.75% due in 2000. The unsecured notes and the loan were retired during 1999.

In January 1999, the Company filed a shelf registration statement with the Securities and Exchange Commission (SEC) to register $465 million of securities. This registration statement, together with the $35 million of securities covered by a previously filed registration statement, will provide the Company with financing flexibility to offer up to $500 million aggregate principal amount of common stock, preferred stock, depository shares, debt securities, warrants, stock purchase contracts and/or stock purchase units. The Company expects to use the net proceeds from the sale of the securities for general corporate purposes, which may include, among other things: the repayment of outstanding indebtedness, working capital, capital expenditures, the repurchase of shares of common stock and acquisitions. The precise amount and timing of the application of such proceeds will depend upon the Company's funding requirements and the availability and cost of other funds. The Company's credit facilities and shelf registration statements provide flexibility to refinance its outstanding debt instruments at January 2, 2000 as they mature. The Company's market capitalization as of January 2, 2000 was approximately $2,028 million.

Cash and cash equivalents increased by $31.1 million and were $126.7 million at the end of fiscal 1999. Net cash provided by operating activities for 1999 was $115.8 million and included $7.1 million of cash provided by discontinued operations. The $108.8 million net cash provided by continuing operating activities was comprised of net income from continuing operations before depreciation, amortization and other non cash items, net, of $147.6 million offset by gains on dispositions and sales of investments, net, of $21.6 million and a $17.2 million net change in certain other assets and liabilities during 1999. The primary components of this net change included a $54.4 million increase in accounts receivable, a decrease in inventory of $12.1 million and $32 million of cash outlays associated with the integration of the acquired PEAI and Lumen businesses as well as other restructuring activities. The accounts receivable increase is due primarily to higher 1999 sales versus 1998, specifically PEAI and Lumen acquisitions. Capital expenditures for 1999 were $41.1 million.

During 1999, the Company reduced the number of shares purchased of its common stock versus 1998 and prior years and utilized available cash and equivalents to fund acquisitions, restructure its businesses and invest in growth opportunities. During 1999 and 1998, the Company purchased twenty thousand and 1.8 million shares, respectively, of its common stock through periodic purchases on the open market at a cost of $0.9 million and $41.2 million, respectively. As of January 2, 2000, the Company had authorization to purchase 5.9 million additional shares.

The Company has limited involvement with derivative financial instruments and uses forward contracts to mitigate the effect of foreign currency movements on transactions denominated in foreign currencies. The contracts generally have maturities that do not exceed one month and have no cash requirements until

maturity. Credit risk and market risk are minimal because the contracts are with large banks and gains and losses are offset against foreign exchange gains and losses on the underlying hedged transactions. The notional amount of outstanding forward contracts was $75 million as of January 2, 2000.

REVENUE RECOGNITION

The Securities and Exchange Commission released Staff Accounting Bulletin (SAB) No. 101, Revenue Recognition in Financial Statements, on December 3, 1999. This SAB provides additional guidance on the accounting for revenue recognition, including both broad conceptual discussions as well as certain industry-specific guidance. The new guidance that is most likely to have a potential impact on the Company concerns customer acceptance and installation terms. The Company is in the process of accumulating the information necessary to quantify the potential impact of this new guidance. The guidance is effective for the first quarter of fiscal 2000 and would be adopted by recording the effect of any prior revenue transactions affected as a "cumulative effect of a change in accounting principle" as of January 3, 2000.

DIVIDENDS

In January 2000, the Company's Board of Directors declared a regular quarterly cash dividend of 14 cents per share, resulting in an annual rate of 56 cents per share for fiscal 2000.

ENVIRONMENTAL

The Company is conducting a number of environmental investigations and remedial actions at current and former Company locations and, along with other companies, has been named a potentially responsible party (PRP) for certain waste disposal sites. The Company accrues for environmental issues in the accounting period that the Company's responsibility is established and when the cost can be reasonably estimated. The Company has accrued $12.3 million as of January 2, 2000, representing management's estimate of the total cost of ultimate disposition of known environmental matters. Such amount is not discounted and does not reflect any recovery of any amounts through insurance or indemnification arrangements. These cost estimates are subject to a number of variables, including the stage of the environmental investigations, the magnitude of the possible contamination, the nature of the potential remedies, possible joint and several liability, the timeframe over which remediation may occur and the possible effects of changing laws and regulations. For sites where the Company has been named a PRP, management does not currently anticipate any additional liability to result from the inability of other significant named parties to contribute. The Company expects that such accrued amounts could be paid out over a period of up to five years. As assessments and remediation activities progress at each individual site, these liabilities are reviewed and adjusted to reflect additional information as it becomes available. There have been no environmental problems to date that have had or are expected to have a material effect on the Company's financial position or results of operations. While it is reasonably possible that a material loss exceeding the amounts recorded may have been incurred, the preliminary stages of the investigations make it impossible for the Company to reasonably estimate the range of potential exposure.

THE YEAR 2000 ISSUE

The following Year 2000 statements constitute a Year 2000 Readiness Disclosure within the meaning of the Year 2000 Readiness and Disclosure Act of 1998.

The operations of the Company rely on various computer technologies which, as is common to most corporations, may be affected by what is commonly referred to as the Year 2000 ("Y2K") issue. The Y2K issue is the result of computer programs that were written using two digits rather than four to define the applicable year. Computer equipment and software, as well as devices with embedded technology that are time-sensitive, may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failure or miscalculations causing disruption of operations and normal business activities.

As of January 2, 2000, the Company did not experience a material effect on its business as a result of the Y2K issue. The financial condition and results

of operations for fiscal year ended January 2, 2000 were not materially impacted by the Y2K issue. The Company has not recorded any loss contingencies at January 2, 2000 associated with the Y2K issue and has not incurred any material losses through January 2, 2000. There were no material changes in the estimated costs related to the Company's Y2K remediation efforts. The Company did not incur or experience any material adverse spending patterns or cost relationships related to its Y2K program or remediation activities through January 2, 2000 nor did the Company postpone any expenses as a result of the Y2K issue as of January 2, 2000. No material changes in customers' buying patterns occurred through January 2, 2000 and the Company did not experience a significant increase in returns of certain products as a result of the Y2K issue. The Company did not experience any material Y2K legal claims due to its inability to perform contractual responsibilities or from failure of its products.

As part of its Y2K program, the Company assessed the effect on the Company of the Y2K compliance of its significant customers, vendors, suppliers, raw materials suppliers, primary service suppliers, and financial institutions. The Company has followed a strategy of identification of risks, risk assessment, continuous material third party monitoring and evaluation, and contingency planning. The Company did not use or engage outside firms for the purpose of independent verification and validation of the reliability of third party risks assessed and cost estimates related thereto under the Company's Y2K program.

Although the Company has reviewed the Y2K compliance of a substantial number of its material third parties, it is currently unable to predict the final readiness of all of its material third parties. Certain of the

Company's products are used in conjunction with products of other companies in applications that may be critical to the operations of its customers. Any Company product's Y2K non compliance, whether standing alone or used in conjunction with the products of other companies, may expose the Company to claims from its customers, material third parties or others, and could impair market acceptance of the Company's products or services, increase service and warranty costs, or result in payment of damages, which in turn could materially adversely affect the results of operations and financial position of the Company. While the Company expects such material third parties to address the Y2K issue based on the representations made by such third parties to the Company, it cannot guarantee that these systems have been made Y2K compliant or will be made Y2K compliant in a timely manner and cannot guarantee that it will not experience a material adverse effect as a result of such non compliance.

The costs incurred by the Company through January 2, 2000 to address the Y2K issue totaled approximately $8 million. The costs include those incurred by the Company's Technical Services segment, which was divested in August 1999. These amounts include the costs to lease, purchase or expense new software and equipment needed to achieve Year 2000 compliance and enhance existing systems, as well as internal costs related to this effort. Amounts expended for the Company's Y2K program were outside of and incremental to the Company's IT budget for ongoing operational projects. With the exception of new hardware or software which qualify for capitalization under generally accepted accounting principles, the Company expensed all costs associated with the Y2K program. Funding requirements for the Company's Y2K Program activities during fiscal 2000 are not expected to be significant and have been incorporated into the Company's 2000 capital and operating plans. The Company will utilize cash and equivalents and cash flows from operations to fund remaining Y2K program costs during 2000. None of the Company's other IT projects have been deferred due to its Y2K efforts.

EURO CONVERSION

On January 1, 1999, eleven of the fifteen member countries of the European Union established fixed conversion rates between their existing sovereign currencies and the new common legal currency, the "Euro", which was adopted on that date. There is a transition period between January 1, 1999 and January 1, 2002, during which the Euro will be adopted into the operations. Areas of assessment by the Company since 1998 have included the following: cross-border price transparencies and the resulting competitive impact; adaptation of information technology and other system requirements to accommodate Euro transactions; the impact on currency exchange rate risk; the impact on existing contracts; and taxation and accounting. The Company's assessment is that the anticipated impact of the Euro conversion on the Company's operations will not be material.

FORWARD-LOOKING INFORMATION AND FACTORS AFFECTING FUTURE PERFORMANCE

This report contains "forward-looking statements" as defined in Section 21E of the Securities and Exchange Commission Act of 1934. For this purpose, any statements contained in this report that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "will" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause the results of PerkinElmer, Inc. to differ materially from those indicated by these forward-looking statements including, among others, the factors set forth below.

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

- PerkinElmer faces strong competition in many of the markets that it serves, which affects its ability to sell its products and services and the prices that it obtains. Some of PerkinElmer's competitors are larger than it is and have greater financial and other resources.

- If PerkinElmer is unable to successfully implement the restructuring plans that it has adopted, it will not be able to achieve anticipated costs savings, its ability to produce and deliver the products and services may be adversely affected and it may lose customers and key personnel.

- PerkinElmer's business plan depends on its ability to continue to innovate, develop new products and services based on such innovations and introduce these new products and services successfully into the market. If PerkinElmer is unable to successfully implement this business plan, it could have a material adverse effect on PerkinElmer's business, financial condition and results of operations.

- PerkinElmer's business plan depends on its ability to acquire attractive businesses on favorable terms and integrate these businesses into PerkinElmer's other operations. If PerkinElmer is unable to successfully implement this business plan, it could have a material adverse effect on PerkinElmer's business, financial condition and results of operations.

- In many of PerkinElmer's segments, PerkinElmer serves as a supplier of components to other businesses with whom its customers transact business. As a result, PerkinElmer's success depends on the business success of its customers.

- PerkinElmer needs to be able to continue to access the capital markets to fund its growth.

- PerkinElmer's products businesses can be affected by currency risks.

- PerkinElmer needs to achieve satisfactory results in connection with certain litigation to which it is a party, particularly its ongoing tax litigation with the Internal Revenue Service.

- PerkinElmer needs to attract and retain key management, operational and technical personnel.

- PerkinElmer is affected by general economic conditions.

- PerkinElmer could be impacted during fiscal 2000 and beyond by unanticipated issues associated with Year 2000 software problems.

- PerkinElmer's effective tax rates in the future could be affected by changes in the geographic distribution of income, utilization of non-U.S. net operating loss carryforwards, repatriation costs, resolution of outstanding tax audit issues and changes in the portfolio of businesses.

PerkinElmer is subject to the following risks that may affect particular business segments:

Life Sciences

- PerkinElmer's business plan for this segment is significantly dependent upon the successful introduction of products currently under development as well as the expansion of the geographic markets for this segment's products.

- Many of PerkinElmer's products in this segment are subject to regulation by the Food and Drug Administration and other regulatory bodies.

- Many of PerkinElmer's products in this segment are used by pharmaceutical companies and research laboratories, so the success of these products is dependent upon the success of these customers.

Optoelectronics

- PerkinElmer needs to continue the development of its telecommunications and amorphous silicon technologies and continue to successfully introduce additional products based on these technologies to the respective markets.

- PerkinElmer needs to successfully shift the production of certain products to lower cost geographic areas such as the Philippines, Indonesia and China in order to compete effectively.

Instruments

- PerkinElmer's ability to obtain Federal Aviation Administration certification of its Z scan system for screening of checked baggage on a timely basis will affect this business segment's success.

- PerkinElmer needs to continue to successfully integrate the analytical instruments business acquired from PE Corp. in May 1999.

- PerkinElmer needs to successfully integrate the Vivid business acquired in January 2000.

- PerkinElmer needs to continue to develop new technology and successfully introduce additional products based on this technology to the market.

Fluid Sciences

- Key customers for certain of this business segment's products manufacture equipment used in semiconductor production. As a result, the success of this segment's operations is dependent in part upon the continued recovery of economic conditions in the semiconductor industry and the ability to ramp up capacity to meet increased customer demand.

- PerkinElmer is in the process of implementing new lower cost manufacturing processes for certain of this segment's products. The success of this segment's operations depends in part upon PerkinElmer's successfully implementing these new manufacturing processes.

- Key customers for the products of this segment are manufacturers of air frames and engines for regional and business jets. As a result, the success of this segment is dependent in part upon continued growth in the regional and business jet markets, no significant reduction in the projected demand and associated build rates of original equipment manufacturers (OEM) of large transport aircraft, and expansion of the maintenance, repair, and overhaul business.

- The success of our operations in this segment depends in part on entering into long-term contracts for the sale of seals and components to original equipment manufacturers of aircraft, air frames, and engines, semiconductor equipment, and automotive lubricants on favorable terms.

MARKET RISK

Market Risk: The Company is exposed to market risk, including changes in interest rates and currency exchange rates. To manage the volatility relating to these exposures, the Company enters into various derivative transactions pursuant to the Company's policies to hedge against known or forecasted market

exposures.

Foreign Exchange Risk Management: As a multinational corporation, the Company is exposed to changes in foreign exchange rates. As the Company's international sales grow, exposure to volatility in exchange rates could have a material adverse impact on the Company's financial results. The Company's risk from exchange rate changes is primarily related to non-dollar denominated sales in Europe and Asia. The Company uses foreign currency forward and option contracts to manage the risk of exchange rate fluctuations. The Company uses these derivative instruments to reduce its foreign exchange risk by essentially creating offsetting market exposures. The instruments held by the Company are not leveraged and are not held for trading purposes. The Company uses forward exchange contracts to hedge its net asset (balance sheet) position. The success of the hedging program depends on forecasts of transaction activity in the various currencies. To the extent that these forecasts are over or understated during periods of currency volatility, the Company could experience unanticipated currency gains or losses. The principal currencies hedged are the British Pound, Canadian Dollar, Euro, Japanese Yen and Singapore Dollar. In those currencies where there is a liquid, cost-effective forward market, the Company maintains hedge coverage between minimum and maximum percentages of its anticipated transaction exposure for periods not to exceed one year. The gains and losses on these contracts offset changes in the value of the related exposure.

Interest Rate Risk: The Company maintains an investment portfolio consisting of securities of various issuers, types and maturities. The investments are classified as available for sale. These securities are recorded on the balance sheet at market value, with any unrealized gain or loss recorded in comprehensive income. These instruments are not leveraged, and are not held for trading purposes.

Value-At-Risk: The Company utilizes a Value-at-Risk ("VAR") model to determine the maximum potential loss in the fair value of its interest rate and foreign exchange sensitive derivative financial instruments within a 95% confidence interval. The Company's computation was based on the interrelationships between movements in interest rates and foreign currencies. These interrelationships were determined by observing historical interest rate and foreign currency market changes over corresponding periods. The assets and liabilities, firm commitments and anticipated transactions, which are hedged by derivative financial instruments, were excluded from the model. The VAR model estimates were made assuming normal market conditions and a 95% confidence level. There are various modeling techniques that can be used in the VAR computation. The Company's computations are based on the Monte Carlo simulation. The VAR model is a risk analysis tool and does not purport to represent actual gains or losses in fair value that will be incurred by the Company. The VAR model estimated a maximum loss in market value of $.8 million from January 3, 2000 through December 31, 2000 for derivative instruments held as of January 2, 2000.

Management periodically reviews its interest rate and foreign currency exposures and evaluates strategies to manage such exposures in the near future. The Company implements changes, when deemed necessary, in the management of hedging instruments which mitigate its exposure.

Since the Company utilizes interest rate and foreign currency sensitive derivative instruments for hedging, a loss in fair value for those instruments is generally offset by increases in the value of the underlying transaction.

It is the Company's policy to enter into foreign currency and interest rate transactions only to the extent considered necessary to meet its objectives as stated above. The Company does not enter into foreign currency or interest rate transactions for speculative purposes.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

PERKINELMER, INC. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS
FOR THE THREE YEARS ENDED JANUARY 2, 2000

(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)	1999	1998	1997
Sales:			
Products	$1,206,038	$ 784,520	$860,598
Services	157,091	69,862	66,884
TOTAL SALES	1,363,129	854,382	927,482
Cost of Sales:			
Products	746,417	496,861	553,551
Services	107,043	54,126	53,195
Revaluation of Acquired Inventory	9,857	--	--
Total Cost of Sales	863,317	550,987	606,746
Selling, General and Administrative Expenses	327,142	203,740	220,976
Research and Development Expenses	71,248	46,026	44,541
In-Process Research and Development Charges (Note 2)	23,000	2,300	--
Restructuring Charges, Net (Note 3)	11,520	50,027	--
Asset Impairment Charges (Note 4)	18,000	7,400	28,200
Gains on Dispositions (Note 5)	(17,750)	(125,822)	--
OPERATING INCOME FROM CONTINUING OPERATIONS	66,652	119,724	27,019
Other Expense, Net (Note 6)	(21,782)	(1,397)	(7,555)
Income From Continuing Operations Before Income Taxes	44,870	118,327	19,464
Provision for Income Taxes (Note 7)	16,499	39,326	9,902
INCOME FROM CONTINUING OPERATIONS	28,371	79,001	9,562
Income From Discontinued Operations, Net of Income Taxes (Note 8)	15,665	23,001	24,130
Gain on Disposition of Discontinued Operations, Net of Income Taxes (Note 8)	110,280	--	--
NET INCOME	$ 154,316	$ 102,002	$ 33,692
BASIC EARNINGS PER SHARE (NOTE 9):			
CONTINUING OPERATIONS	$ .62	$ 1.74	$ .21
Discontinued Operations	2.77	.51	.53
NET INCOME	$ 3.39	$ 2.25	$ .74
DILUTED EARNINGS PER SHARE (NOTE 9):			
CONTINUING OPERATIONS	$ .61	$ 1.72	$ .21
Discontinued Operations	2.70	.50	.53
NET INCOME	$ 3.31	$ 2.22	$ .74

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

PERKINELMER, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF JANUARY 2, 2000 AND JANUARY 3, 1999

(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)	1999	1998
Current Assets:		
Cash and cash equivalents	$ 126,650	$ 95,565
Accounts receivable (Note 10)	346,160	170,171
Inventories (Note 11)	201,724	123,568
Other current assets (Note 7)	140,560	110,954
Net assets of discontinued operations (Note 8)	--	32,087

TOTAL CURRENT ASSETS	815,094	532,345
Property, Plant and Equipment:		
At cost (Notes 4 and 12)	496,347	491,647
Accumulated depreciation and amortization	(268,313)	(272,967)
Net Property, Plant and Equipment	228,034	218,680
Investments (Note 13)	14,911	13,506
Intangible Assets (Notes 4 and 14)	592,438	317,611
Other Assets (Notes 7 and 17)	64,163	56,636
TOTAL ASSETS	$1,714,640	$1,138,778
Current Liabilities:		
Short-term debt (Note 15)	$ 382,162	$ 157,888
Accounts payable	152,920	73,420
Accrued restructuring costs (Note 3)	41,759	34,569
Accrued expenses (Note 16)	275,657	218,600
TOTAL CURRENT LIABILITIES	852,498	484,477
Long-Term Debt (Note 15)	114,855	129,835
Long-Term Liabilities (Notes 7, 17 and 18)	196,511	124,799
Contingencies (Note 19)		
Stockholders' Equity (Note 21):		
Preferred stock -- $1 par value, authorized 1,000,000 shares; none outstanding	--	--
Common stock -- $1 par value, authorized 100,000,000 shares; issued 60,102,000 shares in 1999 and 1998	60,102	60,102
Retained earnings	762,009	623,591
Accumulated other comprehensive income (loss)	(14,040)	3,729
Cost of shares held in treasury; 13,736,000 shares in 1999 and 15,355,000 shares in 1998	(257,295)	(287,755)
Total Stockholders' Equity	550,776	399,667
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$1,714,640	$1,138,778

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

PERKINELMER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE YEARS ENDED JANUARY 2, 2000

(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)	COMPREHENSIVE INCOME	COMMON STOCK	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	COST OF SHARES HELD IN TREASURY	TOTAL STOCKHOLDERS' EQUITY
BALANCE, DECEMBER 29, 1996		$60,102	$532,043	$ 19,432	$(246,471)	$365,106
Comprehensive income:						
Net income	$ 33,692	--	33,692	--	--	33,692
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	(22,608)	--	--	(22,608)	--	(22,608)
Unrealized losses on securities:						
Losses arising during the period	(655)					
Reclassification adjustment	(26)					
Net unrealized losses	(681)	--	--	(681)	--	(681)
Other comprehensive income (loss)	(23,289)					
Comprehensive income	$ 10,403					
Cash dividends ($.56 per share)		--	(25,684)	--	--	(25,684)
Exercise of employee stock options and related income tax benefits		--	328	--	6,339	6,667
Purchase of common stock for treasury		--	--	--	(28,104)	(28,104)
BALANCE, DECEMBER 28, 1997		60,102	540,379	(3,857)	(268,236)	328,388
Comprehensive income:						
Net income	$102,002	--	102,002	--	--	102,002
Other comprehensive income, net of tax:						

Gross foreign currency translation adjustments	4,608	--	--	4,608	--	4,608
Reclassification adjustment for translation losses realized upon sale of Sealol Industrial Seals	3,115	--	--	3,115	--	3,115
Unrealized losses on securities arising during the period	(137)	--	--	(137)	--	(137)
Other comprehensive income	7,586					
Comprehensive income	$109,588					
Cash dividends ($.56 per share)		--	(25,408)	--	--	(25,408)
Exercise of employee stock options and related income tax benefits		--	6,618	--	21,698	28,316
Purchase of common stock for treasury		--	--	--	(41,217)	(41,217)
BALANCE, JANUARY 3, 1999		60,102	623,591	3,729	(287,755)	399,667
Comprehensive income:						
Net income	$154,316	--	154,316	--	--	154,316
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	(17,804)	--	--	(17,804)	--	(17,804)
Unrealized gains on securities:						
Gains arising during the period	93					
Reclassification adjustment	(58)					
Net unrealized gains	35	--	--	35	--	35
Other comprehensive income (loss)	(17,769)					
Comprehensive income	$136,547					
Cash dividends ($.56 per share)		--	(25,499)	--	--	(25,499)
Exercise of employee stock options and related income tax benefits		--	8,369	--	20,264	28,633
Issuance of common stock for employee benefit plans		--	1,232	--	11,166	12,398
Purchase of common stock for treasury		--	--	--	(970)	(970)
BALANCE, JANUARY 2, 2000		$60,102	$762,009	$(14,040)	$(257,295)	$550,776

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

PERKINELMER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE YEARS ENDED JANUARY 2, 2000

(DOLLARS IN THOUSANDS)	1999	1998	1997
Operating Activities:			
Net income	$ 154,316	$ 102,002	$ 33,692
Deduct net income from discontinued operations	(15,665)	(23,001)	(24,130)
Deduct net gain on disposition of discontinued operations	(110,280)	--	--
Income from continuing operations	28,371	79,001	9,562
Adjustments to reconcile income from continuing operations to net cash provided by continuing operations:			
Revaluation of acquired inventory	9,857	--	--
In-process research and development charges	23,000	2,300	--
Noncash portion of restructuring charges	2,300	12,020	--
Asset impairment charges	18,000	7,400	28,200
Depreciation and amortization	66,115	48,510	42,698
Gains on dispositions and sales of investments, net	(21,624)	(130,545)	(11,713)
Changes in assets and liabilities which provided (used) cash, excluding effects from companies purchased and divested:			
Accounts receivable	(54,439)	7,830	(24,507)
Inventories	12,132	3,265	(2,475)
Accounts payable and accrued expenses	62,660	13,797	291
Accrued restructuring costs	(21,005)	29,569	3,025
Noncurrent prepaid pension	--	--	(10,040)
Prepaid and deferred taxes	(2,616)	(12,359)	(4,315)
Prepaid expenses and other	(13,983)	(19,935)	(19,321)
Net Cash Provided by Continuing Operations	108,768	40,853	11,405
Net Cash Provided by Discontinued Operations	7,061	28,702	23,433
Net Cash Provided by Operating Activities	115,829	69,555	34,838

Investing Activities:			
Capital expenditures	(41,092)	(44,489)	(47,642)
Reimbursement of invested capital (Note 18)	--	--	27,000
Proceeds from dispositions of businesses and sales of property, plant and equipment	31,560	210,505	24,287
Cost of acquisitions, net of cash and cash equivalents acquired	(302,288)	(217,937)	(3,611)
Proceeds from sales of investments	6,086	7,623	4,129
Other	(1,408)	(160)	(1,156)
Net Cash Provided by (Used in) Continuing Operations	(307,142)	(44,458)	3,007
Net Cash Provided by (Used in) Discontinued Operations	163,259	(2,033)	(1,087)
Net Cash Provided by (Used in) Investing Activities	(143,883)	(46,491)	1,920
Financing Activities:			
Increase (decrease) in commercial paper borrowings	(10,000)	104,156	27,879
Payment of acquired Lumen revolving credit borrowings	--	(59,090)	--
Other debt increases (decreases)	69,529	7,270	(3,443)
Proceeds from issuance of common stock	28,923	28,316	6,667
Purchases of common stock	(970)	(41,217)	(28,104)
Cash dividends	(25,499)	(25,408)	(25,684)
Net Cash Provided by (Used in) Continuing Operations	61,983	14,027	(22,685)
Net Cash Provided by (Used in) Discontinued Operations	--	--	--
Net Cash Provided by (Used in) Financing Activities	61,983	14,027	(22,685)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,844)	540	(3,985)
Net Increase in Cash and Cash Equivalents	31,085	37,631	10,088
Cash and Cash Equivalents at Beginning of Year	95,565	57,934	47,846
Cash and Cash Equivalents at End of Year	$ 126,650	$ 95,565	$ 57,934
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the year for:			
Interest	$ 28,438	$ 12,367	$ 12,351
Income taxes	82,368	59,029	26,683
Noncash Investing and Financing Activities:			
One-year secured 5% promissory notes issued to PE Corp. in connection with the acquisition of the Analytical Instruments Division (Note 2)	150,000	--	--

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

PERKINELMER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The consolidated financial statements include the accounts of PerkinElmer, Inc. (formerly EG&G, Inc.) and its subsidiaries (the Company). All material intercompany balances and transactions have been eliminated in consolidation.

Nature of Operations: PerkinElmer, Inc. is a global high-technology company which provides products and systems to the telecom, medical, pharmaceutical, chemical, semiconductor, photographic and other markets. The Company's operating segments are Life Sciences, Optoelectronics, Instruments and Fluid Sciences. In August 1999, the Company divested its Technical Services segment, which is presented as discontinued operations in accordance with Accounting Principles Board (APB) Opinion No. 30, Reporting the Results of Operations (see Note 8).

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of

the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Sales: Product sales are recorded at the time of shipment and when persuasive evidence of an arrangement exists, the seller's price to the buyer is fixed or determinable and collectibility is reasonably assured. Service sales are generally recorded as the services are rendered. If a loss is anticipated on any contract, provision for the entire loss is made immediately. The former Technical Services segment had cost-reimbursement contracts with governmental agencies. These contracts included both cost plus fixed fee contracts and cost plus award fee contracts based on performance. Sales under cost-reimbursement contracts were recorded as costs were incurred and included applicable income in the proportion that costs incurred bear to total estimated costs.

The Securities and Exchange Commission released Staff Accounting Bulletin (SAB) No. 101, Revenue Recognition in Financial Statements, on December 3, 1999. This SAB provides additional guidance on the accounting for revenue recognition, including both broad conceptual discussions as well as certain industry-specific guidance. The new guidance that is most likely to have a potential impact on the Company concerns customer acceptance and installation terms. The Company is in the process of accumulating the information necessary to quantify the potential impact of this new guidance. The guidance is effective for the first quarter of fiscal 2000 and would be adopted by recording the effect of any prior revenue transactions affected as a "cumulative effect of a change in accounting principle" as of January 3, 2000.

Inventories: Inventories, which include material, labor and manufacturing overhead, are valued at the lower of cost or market. The majority of inventories is accounted for using the first-in, first-out method of determining inventory costs; remaining inventories are accounted for using the last-in, first-out (LIFO) method.

Property, Plant and Equipment: For financial statement purposes, the Company depreciates plant and equipment using the straight-line method over their estimated useful lives, which generally fall within the following ranges: buildings and special-purpose structures -- 10 to 25 years; leasehold improvements -- estimated useful life or remaining term of lease, whichever is shorter; machinery and equipment -- 3 to 7 years. Nonrecurring tooling costs are capitalized, while recurring costs are expensed. For income tax purposes, the Company depreciates plant and equipment over their estimated useful lives using accelerated methods.

Pension Plans: The Company's funding policy provides that payments to the U.S. pension trusts shall at least be equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974. Non-U.S. plans are accrued for, but generally not funded, and benefits are paid from operating funds.

Translation of Foreign Currencies: The balance sheet accounts of non-U.S. operations, exclusive of stockholders' equity, are translated at year-end exchange rates, and income statement accounts are translated at weighted-average rates in effect during the year; any translation adjustments are made directly to a component of stockholders' equity. The net transaction gains (losses) were not material for the years presented.

Intangible Assets: In accordance with Statement of Financial Accounting Standards (SFAS) No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, and APB Opinion No. 17, Intangible Assets, the Company reviews long-lived assets and all intangible assets (including goodwill) for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate, to the carrying amount including associated intangible assets of such operation. If the operation is determined to be unable to recover the carrying amount of its assets, then intangible assets are written down first, followed by the other long-lived assets of the operation, to fair value. Fair value is determined based on discounted cash flows or appraised values, depending upon the nature of

the assets. (See Note 4 for further discussion of asset impairment charges.)

Stock-Based Compensation: In accordance with SFAS No. 123, Accounting for Stock-Based Compensation, the Company accounts for stock-based compensation at intrinsic value with disclosure of the effects of fair value accounting on net income and earnings per share on a pro forma basis.

Cash Flows: For purposes of the Consolidated Statements of Cash Flows, the Company considers all highly liquid instruments with a purchased maturity of three months or less to be cash equivalents. The carrying amount of cash and cash equivalents approximates fair value due to the short maturities.

Environmental Matters: The Company accrues for costs associated with the remediation of environmental pollution when it is probable that a liability has been incurred and the Company's proportionate share of the amount can be reasonably estimated. Any recorded liabilities have not been discounted.

Comprehensive Income: In the first quarter of 1998, the Company adopted the provisions of SFAS No. 130, Reporting Comprehensive Income, which established standards for reporting and display of comprehensive income and its components. Comprehensive income is the total of net income and all other nonowner changes in stockholders' equity.

Segments and Related Information: In the fourth quarter of 1998, the Company adopted the provisions of SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information. The statement established standards for the way that public business enterprises report information and operating segments in annual financial statements and requires reporting of selected information in interim financial reports.

Derivative Instruments and Hedging: The Financial Accounting Standards Board issued SFAS No. 137, Accounting for Derivative Instruments and Hedging Activities -- Deferral of the Effective Date of SFAS No. 133, in June 1999. SFAS No. 133 is now effective for all fiscal quarters of all fiscal years beginning after June 15, 2000; earlier adoption is allowed. The statement requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The Company has not yet determined the effect that adoption of SFAS No. 133 will have or when the provisions of the statement will be adopted. However, the Company currently expects that, due to its relatively limited use of derivative instruments, the adoption of SFAS No. 133 will not have a material effect on the Company's results of operations or financial position.

Start-up Activities: During 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-5, Reporting on the Costs of Start-up Activities. This statement required a change in

the method of accounting for start-up costs on major projects to expense these costs as incurred. Prior to this accounting change, these costs could be capitalized. The impact of this accounting change did not have a material effect on the Company's results of operations or financial position.

Reclassifications: Certain amounts from prior years have been reclassified to conform to the 1999 financial statement presentation.

NOTE 2. ACQUISITIONS

On May 28, 1999, the Company completed its acquisition of the Analytical Instruments Division (PEAI) of PE Corp. for an aggregate purchase price of approximately $425 million, plus acquisition costs. In addition, under the terms of the Purchase Agreement dated March 8, 1999 between the Company and PE Corp. (the "Purchase Agreement"), the Company assumed German and other pension liabilities of approximately $65 million. These pension liabilities were historically funded on a pay-as-you go basis, and the funding going-forward is expected to remain consistent. The acquisition was accounted for as a purchase under APB Opinion No. 16, Business Combinations. In accordance with APB Opinion

No. 16, the Company allocated the purchase price of PEAI based on the fair values of the net assets acquired and liabilities assumed. The allocation of the purchase price has not yet been finalized, however, the Company does not expect any material changes. The purchase price is subject to a post-closing adjustment currently in negotiation which will be equal to the amount by which the audited net assets of PEAI as of the closing date were greater or less than, as the case may be, certain target amounts set forth in the Purchase Agreement. PEAI produces high-quality analytical testing instruments and consumables, and generated 1998 fiscal year sales of $569 million. PEAI's operations are reported in the Company's Instruments segment.

Portions of the purchase price, including intangible assets, were valued by independent appraisers utilizing customary valuation procedures and techniques. These intangible assets included approximately $23 million for acquired in-process research and development (in-process R&D) for projects that did not have future alternative uses. This allocation represents the estimated fair value based on risk-adjusted cash flows related to the in-process R&D projects. At the date of the acquisition of PEAI, the development of these projects had not yet reached technological feasibility, and the R&D in process had no alternative future uses. Accordingly, these costs were expensed in the second quarter of 1999. Other acquired intangibles totaling $163.8 million included the fair value of trade names, trademarks, patents and developed technology. These intangibles are being amortized over their respective estimated useful lives ranging from 10-40 years. Goodwill resulting from the acquisition of PEAI is being amortized over 40 years. Approximately $28 million was recorded as accrued restructuring charges in connection with the acquisition of PEAI. The restructuring plans include initiatives to integrate the operations of the Company and of PEAI, and reduce overhead. The primary components of these plans relate to: (a) employee termination benefits and related costs for approximately 20% of the acquired workforce of approximately 3,000 employees; to date, the Company has reduced PEAI's workforce by 230 individuals, (b) consolidation or shutdown of certain operational facilities worldwide and (c) termination of certain leases and other contractual obligations. While the Company does not anticipate material changes at this time to its restructuring plans, management is in the process of refining the restructuring plans and, accordingly, the amounts recorded are based on management's current estimates of those costs. The majority of the restructuring actions are expected to occur through fiscal 2000.

The components of the purchase price and allocation were as follows:

	(IN THOUSANDS)
Consideration and acquisition costs:	
Cash paid	$ 275,000
Seller note	150,000
Pension liabilities assumed	65,000
Acquisition costs	10,000
	$ 500,000
Preliminary allocation of purchase price:	
Current assets	$ 253,777
Property, plant and equipment	33,308
Acquired intangibles	163,800
In-process R&D	23,000
Goodwill	175,064
Liabilities assumed and other	(148,949)
	$ 500,000

On December 16, 1998, the Company acquired substantially all of the outstanding common stock and options of Lumen Technologies, Inc. (Lumen), a maker of high-technology specialty light sources. The purchase price of

approximately $253 million, which included $75 million of assumed debt, was funded with existing cash and commercial paper borrowings. The acquisition was accounted for as a purchase under APB Opinion No. 16. In accordance with APB Opinion No. 16, the Company allocated the purchase price of Lumen based on the fair values of the assets acquired and liabilities assumed. Portions of the purchase price, including intangible assets, were valued by independent appraisers utilizing proven valuation procedures and techniques. These intangible assets included approximately $2.3 million for acquired in-process R&D for projects that did not have future alternative uses. This allocation represents the estimated fair value based on risk-adjusted cash flows related to the in-process R&D projects. At the date of the acquisition, the development of these projects had not yet reached technological feasibility, and the R&D in process had no alternative future uses. Accordingly, these costs were expensed in the fourth quarter of 1998. Acquired intangibles totaling $11.8 million included the fair value of trade names, trademarks and patents. These intangibles are being amortized over their estimated useful life of ten years. Goodwill resulting from the Lumen acquisition is being amortized over 30 years. Approximately $5 million was recorded as accrued restructuring charges in connection with the acquisition. The restructuring plans included initiatives to integrate the operations of the Company and Lumen, and reduce overhead. The primary components of these plans related to: (a) transfer of certain manufacturing activities to lower-cost facilities, (b) integration of the sales and marketing organization and (c) termination of certain contractual obligations. The remaining restructuring actions are expected to occur in fiscal 2000. Lumen's operations were primarily reported in the Company's Optoelectronics segment, with the photolithography business reported in the Instruments segment, in 1999.

The components of the purchase price and allocation were as follows:

	(IN THOUSANDS)
Consideration and acquisition costs:	
Cash paid for stock and options	$168,050
Debt assumed	74,388
Fair value of options exchanged	6,500
Acquisition costs	3,925
	$252,863
Allocation of purchase price:	
Current assets	$ 66,829
Property, plant and equipment	52,525
Acquired intangibles	11,800
In-process R&D	2,300
Goodwill	164,900
Liabilities assumed and other	(45,491)
	$252,863

In December 1998, the Company acquired Life Science Resources Limited (LSR), a U.K.-based developer and supplier of biotechnology, biomedical and clinical research instrumentation, for $11 million. In April 1998, in connection with the divestiture of the Sealol Industrial Seals division, the Company purchased Belfab, the advanced metal bellows division of John Crane, Inc. for $45 million in cash. In February 1998, the Company acquired Isolab, Inc., a supplier of systems for clinical diagnostic screening, for $10 million. These acquisitions were accounted for using the purchase method. The excess of the cost over the fair market value of the net assets acquired totaled $54 million and is being amortized over periods of 10-20 years using a straight-line method. The results of operations of the acquisitions were included in the consolidated results of the Company from the date of each respective acquisition.

Unaudited pro forma operating results for the Company, assuming the acquisitions of Lumen and PEAI occurred on December 29, 1997, are as follows:

(IN THOUSANDS EXCEPT PER SHARE DATA)	1999	1998
Sales from continuing operations	$1,577,963	$1,556,094
Income from continuing operations	24,541	46,173
Basic earnings per share	.54	1.02
Diluted earnings per share	.53	1.01
Net income	150,486	69,174
Basic earnings per share	3.31	1.53
Diluted earnings per share	3.23	1.51

The pro forma amounts in the table above exclude the in-process R&D charges of $23 million for PEAI and $2.3 million for Lumen. The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of the Company's operating results that would have occurred had the acquisitions been consummated on the dates for which the consummation of the acquisitions is being given effect, nor is it necessarily indicative of the Company's future operating results. The pro forma amounts do not reflect any operating efficiencies and cost savings that the Company believes are achievable. Pro forma amounts for the other 1998 acquisitions are not included as their effect is not material to the Company's consolidated financial statements.

NOTE 3. RESTRUCTURING AND INTEGRATION CHARGES

In 1997, as part of a plan to reposition its operations, the Company recorded $7.8 million of integration costs, which included $4.4 million related to employee separation costs and $3.4 million related to its consolidation effort. These costs were included in selling, general and administrative expenses.

The Company developed restructuring plans during 1998 to integrate and consolidate its businesses and recorded restructuring charges in the first and second quarters of 1998, which are discussed separately below.

During the first quarter of 1998, management developed a plan to restructure certain businesses. A discussion of the businesses affected within each segment is presented below. The plan resulted in pre-tax restructuring charges totaling $30.5 million. The principal actions in the restructuring plan included close-down or consolidation of a number of offices and facilities, transfer of assembly activities to lower-cost geographic locations, disposal of underutilized assets, withdrawal from certain product lines and general cost reductions.

Further details of the actions are presented below. Specific businesses within each segment which were affected by the restructuring actions are as follows: the Fluid Sciences business affected primarily manufactures mechanical components and systems; the Optoelectronics businesses affected produce various lighting and sensor components and systems; the Instruments restructuring related primarily to its X-ray imaging business which produces security screening equipment, as well as its Instruments for Research and Applied Science business which produces particle detector equipment.

Close-down of certain facilities: Costs have been accrued for the closing down of facilities. These costs related to the affected businesses discussed above within the Fluid Sciences and Optoelectronics segments.

Transfer of assembly activities: The Company plans to relocate certain activities, primarily in its Optoelectronics segment, to lower-cost geographic areas such as Indonesia and China. The costs included in the restructuring charges related to costs associated with exiting the previous operations. Actual costs to physically relocate are charged to operations as incurred.

Disposal of underutilized assets: The Company plans to dispose of underutilized assets either through sale or abandonment, primarily in its Instruments and Optoelectronics segments.

Withdrawal from certain product lines: The Company has made a strategic decision to discontinued certain unprofitable product lines discussed above, primarily in its Instruments and Optoelectronics segments.

During the second quarter of 1998, the Company expanded its continuing effort to restructure certain businesses to further improve performance. The plan resulted in additional pre-tax restructuring charges of $19.5 million. The principal actions in this restructuring plan included the integration of operating divisions into five strategic business units (SBUs), close-down or consolidation of a number of production facilities and general cost reductions. As discussed in Note 8, the Company has since divested its Technical Services segment. Pre-tax restructuring charges of $4.5 million were charged to discontinued operations in 1998 ($0.9 million in the first quarter and $3.6 million in the second quarter), primarily related to severance benefits, all of which have been incurred as of January 2, 2000.

As part of the Company's second quarter restructuring plan, management reorganized its operating divisions into five SBUs. This resulted in termination of employees as well as the integration and consolidation of certain facilities and product lines. This effort is company-wide and affects all segments of the Company. The major components within the Optoelectronics plan consisted of the closing of two wafer fab production facilities and a development program.

The total restructuring charges in 1998 included $9.9 million for termination of leases and other contractual obligations. This amount included approximately $6.5 million for termination of facility leases and other lease-related costs, $1.5 million for termination of distributor arrangements and $1.9 million for various

other commitments. The facility leases have remaining terms ranging from six months to five years. The amount accrued reflects the Company's best estimate of actual costs to buy out the leases in certain cases or the net cost to sublease the properties in other cases.

The restructuring charges related to continuing operations recorded in the first and second quarters of 1998 were broken down as follows by operating segment:

(IN MILLIONS)	EMPLOYEE SEPARATION COSTS	DISPOSAL OF CERTAIN PRODUCTS LINES AND ASSETS	TERMINATION OF LEASES AND OTHER CONTRACTUAL OBLIGATIONS	TOTAL
Life Sciences	$ 3.6	$ .4	$ .6	$ 4.6
Optoelectronics	8.5	6.4	5.4	20.3
Instruments	6.4	2.9	2.0	11.3
Fluid Sciences	6.2	1.9	1.8	9.9
Corporate and Other	3.8	--	.1	3.9
Total restructuring charges	28.5	11.6	9.9	50.0
Amounts incurred through January 3, 1999	(8.1)	(11.6)	(1.0)	(20.7)
Accrued restructuring costs at January 3, 1999	20.4	--	8.9	29.3
Amounts incurred during 1999	(8.3)	--	(2.6)	(10.9)
Amounts reversed during 1999	(7.4)	--	(4.6)	(12.0)

Accrued restructuring costs at January 2, 2000.........	$ 4.7	$ --	$ 1.7	$ 6.4
	=====	======	=====	======

The headcount reduction, by function, resulting in the Employee Separation Costs detailed above is as follows (after amounts reversed during 1999):

	FIRST QUARTER PLAN	SECOND QUARTER PLAN	TOTAL
Sales and Marketing....................	34	39	73
Production.............................	197	70	267
General & Administrative...............	34	82	116
Total..................................	265	191	456

Approximately 60% of the total employees expected to be terminated have been severed as of January 2, 2000.

The remaining accrual at January 2, 2000 for the 1998 restructuring plans consisted of the following amounts: Life Sciences -- $.5 million; Optoelectronics -- $4.9 million; Fluid Sciences -- $.1 million; Corporate and Other -- $.9 million. The amounts represent the estimated costs to complete restructuring actions currently in process and are expected to be incurred during fiscal 2000.

The components of the restructuring charges met the criteria set forth in Emerging Issues Task Force Issue 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring). The charges do not include additional costs associated with the restructuring plans, such as training, consulting, purchase of equipment and relocation of employees and equipment. These costs were charged to operations or capitalized, as appropriate, when incurred.

During the third quarter of 1999, due to the substantial completion of the actions of the 1998 restructuring plans, the Company reevaluated its 1998 restructuring plans. As a result of this review, costs associated with the previously planned shutdown of two businesses were no longer required due to actions taken to improve performance. As a result of these recent developments, the Company recognized a restructuring credit of $12 million during the third quarter of 1999, which primarily affected the Fluid Sciences and Optoelectronics segments. The $12 million credit is reflected in "Restructuring Charges, Net" in the Consolidated Income Statements.

The acquisitions by the Company discussed in Note 2 and the Company's divestiture during the third quarter of 1999 of its Technical Services segment discussed in Note 8 (exiting government services) were strategic milestones in the Company's transition to a commercial high-technology company. Consistent with the strategic direction of the Company and concurrent with the reevaluation of existing restructuring plans during the third quarter of 1999, the Company developed additional plans during the third quarter of 1999 to restructure certain businesses to continue to improve the Company's performance.

These plans resulted in a pre-tax restructuring charge of $23.5 million recorded in the third quarter of 1999. The principal actions in these restructuring plans include close-down or consolidation of a number of offices and facilities, transfer of assembly activities to lower-cost geographic locations, disposal of underutilized assets, withdrawal from certain product lines and general cost reductions. The restructuring plans are expected to result in the elimination of approximately 400 positions, primarily in the manufacturing and sales categories. The major components of the restructuring charge were $13.6 million of employee separation costs to restructure the worldwide organization, including the sales and manufacturing focus, $2.3

million of noncash charges to dispose of certain product lines and assets through sale or abandonment and $7.6 million of charges to terminate lease and other contractual obligations no longer required as a result of the restructuring plans. The charges do not include additional costs associated with the restructuring plans, such as training, consulting, purchase of equipment and relocation of employees and equipment. These costs will be charged to operations or capitalized, as appropriate, when incurred.

The restructuring actions related to the 1999 charge are broken down as follows by business segment:

(IN MILLIONS)	EMPLOYEE SEPARATION COSTS	DISPOSAL OF CERTAIN PRODUCT LINES AND ASSETS	TERMINATION OF LEASES AND OTHER CONTRACTUAL OBLIGATIONS	TOTAL
Life Sciences	$ .5	$ .8	$4.9	$ 6.2
Optoelectronics	6.1	.8	2.1	9.0
Instruments	1.8	--	--	1.8
Fluid Sciences	5.2	.2	.1	5.5
Corporate and Other	--	.5	.5	1.0
Total restructuring charge	13.6	2.3	7.6	23.5
Amounts incurred through January 2, 2000	(2.1)	(.2)	(.4)	(2.7)
Accrued restructuring costs at January 2, 2000	$11.5	$2.1	$7.2	$20.8

Further details of the Company's restructuring actions are presented below. Specific businesses within each segment which were affected by the restructuring actions are as follows: the primary Fluid Sciences business affected manufactures certain products for the aerospace markets; the Optoelectronics businesses affected produce various lighting and sensor components and systems; the Instruments restructuring relates to its analytical instruments business, its X-ray imaging business which produces security screening equipment, and its Instruments for Research and Applied Science business which produces particle detector equipment.

Close-down of certain facilities: Costs have been accrued for the closing down of certain facilities. These costs relate primarily to the Instruments and Optoelectronics segments.

Transfer of assembly activities: The Company continues to relocate certain activities, primarily in its Optoelectronics segment, to lower-cost geographic areas, such as the Philippines, Indonesia and China. The costs included in the restructuring charges related to costs associated with exiting the previous operations. Actual costs to physically relocate are charged to operations as incurred.

Disposal of underutilized assets: The Company plans to dispose of underutilized assets either through sale or abandonment, primarily in its Instruments and Optoelectronics segments.

Withdrawal from certain product lines: The Company has made a strategic decision to discontinue certain unprofitable product lines, primarily in its Optoelectronics segment.

Most of the actions remaining at January 2, 2000 are expected to occur in fiscal 2000.

The following table summarizes reserve activity through January 2, 2000 related to the May 1999 PEAI acquisition as discussed in Note 2:

(IN MILLIONS)	EMPLOYEE SEPARATION COSTS	TERMINATION OF LEASES AND OTHER CONTRACTUAL OBLIGATIONS	TOTAL
Accrued restructuring costs at acquisition date	$ 23.5	$ 4.7	$28.2
Charges/writeoffs	(14.1)	(1.7)	(15.8)
Accrued restructuring costs at January 2, 2000	$ 9.4	$ 3.0	$12.4

The following table summarizes reserve activity through January 2, 2000 related to the December 1998 Lumen acquisition as discussed in Note 2 (there was no activity during 1998):

(IN MILLIONS)	EMPLOYEE SEPARATION COSTS	DISPOSAL OF CERTAIN PRODUCT LINES AND ASSETS	TERMINATION OF LEASES AND OTHER CONTRACTUAL OBLIGATIONS	TOTAL
Accrued restructuring costs at acquisition date	$1.1	$ 2.0	$ 1.9	$ 5.0
Charges/writeoffs	(.3)	(1.1)	(1.9)	(3.3)
Accrued restructuring costs at January 2, 2000	$ .8	$ .9	$ --	$ 1.7

The following table summarizes restructuring activity from continuing operations for the two years ended January 2, 2000:

(IN THOUSANDS)	1999	1998
Accrued restructuring costs at beginning of year	$ 34,569	$ 3,025
Provisions:		
Operations	23,500	50,027
Acquisitions	28,195	5,000
Charges/writeoffs	(32,525)	(23,483)
Reversals	(11,980)	--
Accrued restructuring costs at end of year	$ 41,759	$ 34,569

Cash outlays during 1999 and 1998 were $32.5 million and $23.5 million, respectively, for all of these plans. The Company expects to incur approximately $25-$30 million of cash outlays in connection with these plans throughout fiscal 2000.

NOTE 4. ASSET IMPAIRMENT CHARGES

During the third quarter of 1999, in connection with its ongoing review of its portfolio of businesses, the Company conducted a strategic review of certain units within its business segments. The strategic review triggered an impairment review of long-lived assets of certain business units that are expected to be

disposed. The Company calculated the present value of expected cash flows of certain business units to determine the fair value of those assets. Accordingly, in the third quarter of 1999, the Company recorded noncash impairment charges and wrote down goodwill by $15 million in the Instruments segment and $3 million in the Optoelectronics segment. Sales and operating profit for the businesses under strategic review were approximately $54 million and $2 million, respectively, in 1999.

During the second quarter of 1998, the Company recorded a $7.4 million noncash impairment charge related to an automotive testing facility in the Instruments segment. The impairment charge applied to fixed assets and resulted from projected changes in the principal customer's demand for services. The Company calculated the present value of expected cash flows of the testing facility to determine the fair value of the assets.

During the second quarter of 1997, the Company recorded a noncash impairment charge of $28.2 million, with $26.7 million related to IC Sensors in the Optoelectronics segment and $1.5 million related to the goodwill of an environmental services business in Other. As a result of IC Sensors' inability to achieve the improvements specified in its corrective action plan, it continued operating at a loss in the second quarter of 1997, triggering an impairment review of its long-lived assets. A revised operating plan was developed to restructure and stabilize the business. The revised projections by product line provided the basis for measurement of the asset impairment charge. The Company calculated the present value of expected cash flows of IC Sensors' product lines to determine the fair value of the assets. Accordingly, in the second quarter of 1997, the Company recorded an impairment charge of $26.7 million, for a write-down of goodwill of $13.6 million and fixed assets of $13.1 million. The components of the revised operating plan included hiring a new general manager, transferring assembly and test operations to a lower-cost environment (Batam, Indonesia), introducing new products and reviewing manufacturing processes to improve production yields. All of these components were implemented during 1997 and 1998. In February 2000, the Company sold its IC Sensors business. The Company does not expect a material gain or loss on disposition.

NOTE 5. GAINS ON DISPOSITIONS

During the second quarter of 1999, the Company sold its Structural Kinematics business for cash of $15 million, resulting in a pre-tax gain of $4.3 million, and $.06 per diluted share after-tax. Additionally, as a result of the Company's continuing evaluation of its Instruments businesses, the Company undertook certain repositioning actions during the second quarter of 1999, including exiting selected product lines and activities, rebalancing its customer mix in certain businesses and other related activities. These actions resulted in second quarter pre-tax charges of approximately $3.4 million, primarily recorded in cost of sales. During the fourth quarter of 1999, the Company sold its KT Aerofab business for cash of $4.4 million, resulting in a pre-tax gain of $0.3 million. The net operating results of the divested businesses for 1999 were not significant.

In April 1998, the Company sold its Sealol Industrial Seals division for cash of $100 million, resulting in a pre-tax gain of $58.3 million. The after-tax gain of this divestiture was $42.6 million, or $.93 diluted earnings per share. Sealol's 1998 sales prior to the disposition were $23 million, and its operating income was $2.1 million ($.04 diluted earnings per share). Sealol had 1997 sales of $88 million and operating income of $11.4 million ($.21 diluted earnings per share). In January 1998, the Company sold its Rotron division for $103

million in cash, resulting in a pre-tax gain of $64.4 million. During the first quarter of 1998, the Company also sold a small product line for $4 million in cash, resulting in a pre-tax gain of $3.1 million. The after-tax gain of these divestitures was $45.2 million, or $.99 diluted earnings per share in 1998. Rotron had 1997 sales of $70 million and operating income of $11.9 million ($.16 diluted earnings per share). During 1999, in connection with the 1998 dispositions of the Company's Rotron and Sealol Industrial Seals divisions, the Company recognized approximately $13.2 million of pre-tax gains from the

previously deferred sales proceeds as a result of the favorable resolution of certain events and contingencies. These gains are reported on the "Gains on Dispositions" line in the Consolidated Income Statements.

In 1997, the Company sold its Chandler, Flow and Birtcher divisions for $23 million, resulting in pre-tax gains of $10.6 million. These gains were recorded in selling, general and administrative expenses.

NOTE 6. OTHER EXPENSE

Other income (expense), net, consisted of the following:

(IN THOUSANDS)	1999	1998	1997
Interest income	$ 3,365	$ 6,873	$ 1,969
Interest expense	(28,284)	(11,391)	(12,482)
Gains on sales of investments, net	1,952	4,465	711
Other	1,185	(1,344)	2,247
	$(21,782)	$ (1,397)	$ (7,555)

Other consists mainly of foreign exchange losses, $2.2 million of income received by the Company in 1999 related to the demutualization of a life insurance company in which the Company is a policyholder and a $3.4 million cost of capital reimbursement in 1997 relating to a joint development program (see Note 18).

NOTE 7. INCOME TAXES

The components of income from continuing operations before income taxes for financial reporting purposes were as follows:

(IN THOUSANDS)	1999	1998	1997
U.S.	$ 1,044	$ 26,664	$(22,483)
Non-U.S.	43,826	91,663	41,947
	$44,870	$118,327	$ 19,464

The components of the provision for income taxes for continuing operations were as follows:

(IN THOUSANDS)	CURRENT	DEFERRED (PREPAID)	TOTAL
1999			
Federal	$ 9,397	$ (5,436)	$ 3,961
State	921	(621)	300
Non-U.S.	13,052	(814)	12,238
	$23,370	$ (6,871)	$16,499
1998			
Federal	$32,067	$ (7,538)	$24,529
State	3,802	(977)	2,825
Non-U.S.	15,951	(3,979)	11,972

	$51,820	$(12,494)	$39,326
1997			
Federal	$ 4,460	$ (5,805)	$(1,345)
State	2,168	(144)	2,024
Non-U.S	7,028	2,195	9,223
	$13,656	$ (3,754)	$ 9,902

The total provision for income taxes included in the consolidated financial statements was as follows:

(IN THOUSANDS)		1999	1998
Continuing operations	$16,499	$39,326	$ 9,902
Discontinued operations	80,522	14,706	15,119
	$97,021	$54,032	$25,021

The major differences between the Company's effective tax rate for continuing operations and the federal statutory rate were as follows:

	1999	1998	1997
Federal statutory rate	35.0%	35.0%	35.0%
Non-U.S. rate differential, net	(18.0)	(19.0)	(39.4)
Future remittance of non-U.S. earnings	--	8.4	--
State income taxes, net	1.4	1.6	4.1
Goodwill amortization	7.6	.6	9.2
Goodwill write-downs	11.7	--	27.0
Change in valuation allowance	9.0	2.0	15.3
Other, net	(9.9)	4.6	(0.3)
Effective tax rate	36.8%	33.2%	50.9%

The 1999 and 1997 tax provisions and effective rates for continuing operations were impacted by non-deductible goodwill write-downs. Excluding the impairment charges and related tax effects, the effective tax rates were 32% in 1999 and 30.6% in 1997.

The tax effects of temporary differences and carryforwards which gave rise to deferred income tax assets and liabilities as of January 2, 2000 and January 3, 1999 were as follows:

(IN THOUSANDS)	1999	1998
Deferred tax assets:		
Inventory reserves	$ 7,042	$ 7,510
Other reserves	16,417	17,828
Deferred income	6,024	5,286
Vacation pay	5,499	1,760
Net operating loss carryforwards	28,562	35,349

Postretirement health benefits	4,072	4,420
Restructuring reserve	15,567	16,600
In-process R&D	8,970	--
All other, net	50,138	38,797
Total deferred tax assets	142,291	127,550
Deferred tax liabilities:		
Pension contribution	(13,354)	(12,555)
Amortization	(468)	(1,143)
Depreciation	(19,661)	(10,819)
All other, net	(20,748)	(25,572)
Total deferred tax liabilities	(54,231)	(50,089)
Valuation allowance	(28,580)	(32,628)
Net prepaid taxes	$ 59,480	$ 44,833

At January 2, 2000, the Company had non-U.S. (primarily from Germany) net operating loss carryforwards of $65.2 million, substantially all of which carry forward indefinitely. The $25.6 million valuation allowance results primarily from these carryforwards, for which the Company currently believes it is more likely than not that they will not be realized.

Current deferred tax assets of $92 million and $82.3 million were included in other current assets at January 2, 2000 and January 3, 1999, respectively. Long-term deferred tax liabilities of $33 million and $32.5 million were included in long-term liabilities at January 2, 2000 and January 3, 1999, respectively. These amounts included approximately $8.3 million of current deferred tax assets and $3.3 million of long-term deferred tax liabilities related to the discontinued operations of the Technical Services segment at January 3, 1999.

In general, it is the practice and intention of the Company to reinvest the earnings of its non-U.S. subsidiaries in those operations. Repatriation of retained earnings is done only when it is advantageous. Applicable federal taxes are provided only on amounts planned to be remitted. In connection with 1998 divestitures, certain proceeds will not be permanently reinvested in those operations, and, accordingly, federal taxes in the amount of $10 million were provided in connection with those earnings. Accumulated net earnings of non-U.S. subsidiaries for which no federal taxes have been provided as of January 2, 2000 were $99.9 million, which does not include amounts that, if remitted, would result in little or no additional tax because of the availability of U.S. tax credits for non-U.S. taxes. Federal taxes that would be payable upon remittance of these earnings are estimated to be $32.9 million at January 2, 2000.

NOTE 8. DISCONTINUED OPERATIONS

On August 20, 1999, the Company sold the assets of its Technical Services segment, including the outstanding capital stock of EG&G Defense Materials, Inc., a subsidiary of the Company, to EG&G Technical Services, Inc., an affiliate of The Carlyle Group L.P. (the "Buyer"), for approximately $250 million in cash and the assumption by the Buyer of certain liabilities of the Technical Services segment. Approximately $2.1 million of the cash purchase price will be paid by the Buyer to the Company on the seventh anniversary of the closing of this transaction. The purchase price is subject to a post-closing adjustment based on the Technical Services segment's working capital, as defined, currently being arbitrated by the parties.

The results of operations of the Technical Services segment were previously reported as one of five business segments of the Company. The Company accounted for the sale of its Technical Services segment as a discontinued operation in accordance with APB Opinion No. 30 and, accordingly, the results of operations of the Technical Services segment have been segregated from continuing operations and reported as a separate line item on the Company's Consolidated

Income Statements. The Company recorded a pre-tax gain on disposition of discontinued operations of $181 million, net of transaction and related costs, during 1999. The $110 million after-tax gain was reported separately from the results of the Company's continuing operations.

The Company's former Department of Energy (DOE) segment is also presented as discontinued operations in accordance with APB Opinion No. 30. The Company's last DOE management and operations contract expired in 1997. The Company is in the process of negotiating contract closeouts and does not anticipate incurring any material loss in excess of previously established reserves.

Summary operating results of the discontinued operations (through August 20, 1999) were as follows:

(IN THOUSANDS)	1999	1998	1997
Sales	$302,776	$553,514	$613,118
Costs and expenses	278,242	517,762	575,852
Operating income from discontinued operations	24,534	35,752	37,266
Other income	1,147	1,955	1,983
Income from discontinued operations before income taxes	25,681	37,707	39,249
Provision for income taxes	10,016	14,706	15,119
Income from discontinued operations, net of income taxes	$ 15,665	$ 23,001	$ 24,130

Income from discontinued operations, net of income taxes, of $15.7 million in 1999 and $23 million in 1998 reflected the results of the Company's Technical Services segment. Income from discontinued operations, net of income taxes, of $24.1 million in 1997 reflected $21.1 million from the Company's Technical Services segment and $3 million related to the Company's former DOE segment. Sales for the Technical Services segment for fiscal 1999, 1998 and 1997 were $303 million, $554 million and $533 million, respectively. The remaining sales for 1997 in the preceding chart relate to the DOE segment.

NOTE 9. EARNINGS PER SHARE

Basic earnings per share was computed by dividing net income by the weighted-average number of common shares outstanding during the year. Diluted earnings per share was computed by dividing net income by the weighted-average number of common shares outstanding plus all potentially dilutive common shares

outstanding, primarily shares issuable upon the exercise of stock options using the treasury stock method. The following table reconciles the number of shares utilized in the earnings per share calculations:

(IN THOUSANDS)	1999	1998	1997
Number of common shares-basic	45,522	45,322	45,757
Effect of dilutive securities:			
Stock options	1,015	516	141
Other	32	46	--
Number of common shares-diluted	46,569	45,884	45,898

Options to purchase 92,000 and 1,477,000 shares of common stock were not

included in the computation of diluted earnings per share for 1998 and 1997, respectively, because the options' exercise prices were greater than the average market price of the common shares and thus their effect would have been antidilutive.

NOTE 10. ACCOUNTS RECEIVABLE

Accounts receivable were net of reserves for doubtful accounts of $12.9 million and $4.4 million as of January 2, 2000 and January 3, 1999, respectively. The increase is primarily due to the acquisition of PEAI ($6.5 million).

NOTE 11. INVENTORIES

Inventories as of January 2, 2000 and January 3, 1999 consisted of the following:

(IN THOUSANDS)	1999	1998
Finished goods	$ 87,177	$ 36,552
Work in process	26,342	22,124
Raw materials	88,205	64,892
	$201,724	$123,568

The increase in inventories was primarily due to the acquisition of PEAI in 1999. The acquisition of PEAI also caused the portion of total inventories accounted for using the LIFO method to drop from 12% in 1998 to 8% in 1999. The excess of current cost of inventories over the LIFO value was approximately $5 million as of January 2, 2000 and January 3, 1999.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost, as of January 2, 2000 and January 3, 1999 consisted of the following:

(IN THOUSANDS)	1999	1998
Land	$ 28,724	$ 23,884
Buildings and leasehold improvements	127,908	128,900
Machinery and equipment	339,715	338,863
	$496,347	$491,647

Increases in property, plant and equipment due to the acquisition of PEAI ($33 million) and capital expenditures ($41 million) were partially offset by decreases resulting from dispositions ($54 million) and the effect of translating fixed assets denominated in non-U.S. currencies at current exchange rates.

NOTE 13. INVESTMENTS

Investments as of January 2, 2000 and January 3, 1999 consisted of the following:

(IN THOUSANDS)	1999	1998
Marketable investments	$11,082	$10,695
Joint venture investments	3,829	2,811
	$14,911	$13,506

Joint venture investments are accounted for using the equity method. Marketable investments consisted mainly of trust assets which were carried at market value and were primarily invested in common stocks and fixed-income securities to meet the supplemental executive retirement plan obligation. The market values were based on quoted market prices. As of January 2, 2000, the fixed-income securities, on average, had maturities of approximately 15 years. The net unrealized holding gain on marketable investments, net of deferred income taxes, reported as a component of accumulated other comprehensive income (loss) in stockholders' equity, was $0.4 million at January 2, 2000 and January 3, 1999.

Marketable investments classified as available for sale as of January 2, 2000 and January 3, 1999 consisted of the following:

			GROSS UNREALIZED HOLDING	
(IN THOUSANDS)	MARKET VALUE	COST	GAINS	(LOSSES)
1999				
Common stocks	$ 7,046	$ 6,345	$721	$ (20)
Fixed-income securities	3,360	3,449	--	(89)
Other	676	652	24	--
	$11,082	$10,446	$745	$(109)
1998				
Common stocks	$ 6,838	$ 6,367	$633	$(162)
Fixed-income securities	3,549	3,506	43	--
Other	308	281	27	--
	$10,695	$10,154	$703	$(162)

NOTE 14. INTANGIBLE ASSETS

Intangible assets consist mainly of goodwill from acquisitions accounted for using the purchase method of accounting, representing the excess of cost over the fair market value of the net assets of the acquired businesses. Goodwill is being amortized over periods of 10-40 years. Goodwill, net of accumulated amortization, was $417 million and $301 million at January 2, 2000 and January 3, 1999, respectively. Other identifiable intangible assets from acquisitions include patents, trademarks, trade names and developed technology and are being amortized over periods of 10-40 years. Other identifiable intangible assets, net of

accumulated amortization, were $175 million and $17 million at January 2, 2000 and January 3, 1999, respectively. Intangible assets as of January 2, 2000 and January 3, 1999 consisted of the following:

(IN THOUSANDS)	1999	1998

Goodwill	$477,072	$351,130
Other identifiable intangible assets	182,550	17,929
	659,622	369,059
Accumulated amortization	(67,184)	(51,448)
	$592,438	$317,611

The increase in intangible assets resulted primarily from the acquisition of PEAI.

NOTE 15. DEBT

Short-term debt at January 2, 2000 was $382 million and included one-year secured promissory notes of $150 million issued to PE Corp. at an interest rate of 5%, money market loans of $85 million with Chase Securities, Inc. and commercial paper borrowings of $140 million. The weighted-average interest rate on the money market loans, which had maturities of 90 days or less, was 6.7%. The weighted-average interest rate on the commercial paper borrowings, which had maturities of 120 days or less, was 6.5%. Commercial paper borrowings averaged $210 million during 1999 at an average interest rate of 5.5%. Short-term debt at January 3, 1999 was $158 million and consisted primarily of commercial paper borrowings of $150 million, at a weighted-average interest rate of 5.4%, that had maturities of 60 days or less. Commercial paper borrowings averaged $23 million during 1998 at an average interest rate of 5.5%. At January 3, 1999, short-term debt also included $6.2 million outstanding under a revolving credit agreement, bearing interest at 9%, assumed by the Company in connection with the Lumen acquisition. This amount was paid off in the first quarter of 1999.

In March 2000, the Company's $250 million revolving credit facility was refinanced and increased to a $300 million revolving credit facility that expires in March 2001. The Company has an additional revolving credit agreement for $100 million that expires in March 2002. These agreements, which serve as backup facilities for the commercial paper borrowings, have no significant commitment fees. The Company did not draw down its credit facilities during 1999.

At January 2, 2000 and January 3, 1999, long-term debt included $115 million of unsecured ten-year notes issued in October 1995 at an interest rate of 6.8%, which mature in 2005. The carrying amount approximated the estimated fair value at January 2, 2000 and January 3, 1999 based on a quoted market price. At January 3, 1999, long-term debt also included $14.8 million assumed by the Company in connection with the Lumen acquisition, consisting of unsecured notes of $12.4 million at 8% due in 2002 and a $2.4 million term loan at prime plus 1.75% due in 2000. The unsecured notes and the loan were retired during 1999.

NOTE 16. ACCRUED EXPENSES

Accrued expenses as of January 2, 2000 and January 3, 1999 consisted of the following:

(IN THOUSANDS)	1999	1998
Payroll and incentives	$ 32,720	$ 22,463
Employee benefits	49,293	31,171
Federal, non-U.S. and state income taxes	45,324	36,211
Other accrued operating expenses	148,320	128,755
	$275,657	$218,600

The increase in other accrued operating expenses resulted primarily from the acquisition of PEAI in 1999, partially offset by payment of accruals related to the Lumen acquisition and recognition of gains on dispositions from previously deferred sales proceeds.

NOTE 17. EMPLOYEE BENEFIT PLANS

Except where noted otherwise, the following employee benefit plan disclosures include amounts and information, on a combined basis, for both the continuing and discontinued operations of the Company.

Savings Plan: The Company has a savings plan for the benefit of qualified U.S. employees. Under this plan, the Company contributes an amount equal to the lesser of 55% of the amount of the employee's voluntary contribution or 3.3% of the employee's annual compensation. Savings plan expense charged to continuing operations was $3.9 million in 1999, $2.7 million in 1998 and $2.8 million in 1997.

Pension Plans: The Company has defined benefit pension plans covering substantially all U.S. employees and non-U.S. pension plans for non-U.S. employees. The plans provide benefits that are based on an employee's years of service and compensation near retirement. Assets of the U.S. plan are composed primarily of equity and debt securities.

Net periodic pension cost included the following components:

(IN THOUSANDS)	1999	1998	1997
Service cost	$ 8,539	$ 9,356	$ 9,081
Interest cost	19,528	18,300	18,126
Expected return on plan assets	(23,130)	(23,360)	(21,288)
Net amortization and deferral	(645)	(816)	(743)
	$ 4,292	$ 3,480	$ 5,176

The following table sets forth the changes in the funded status of the principal U.S. pension plan and the principal non-U.S. pension plans and the amounts recognized in the Company's Consolidated Balance Sheets as of January 2, 2000 and January 3, 1999:

(IN THOUSANDS)	1999 NON-U.S.	1999 U.S.	1998 NON-U.S.	1998 U.S.
Actuarial present value of benefit obligations:				
Accumulated benefit obligations	$84,110	$144,588	$29,387	$232,978
Projected benefit obligations at beginning of year	$32,571	$259,468	$27,912	$240,176
PEAI projected benefit obligations at date of acquisition	67,780	--	--	--
Service cost	1,528	7,011	886	8,470
Interest cost	3,872	15,656	1,860	16,440
Benefits paid	(2,345)	(11,802)	(948)	(11,734)
Actuarial loss (gain)	(4,489)	1,859	1,182	23,318
Effect of exchange rate changes	(7,029)	--	1,679	--
Dispositions	--	--	--	(17,202)
Settlement loss -- discontinued operations	--	20,316	--	--
Curtailment gain -- discontinued operations	--	(13,798)	--	--

(IN THOUSANDS)	1999 NON-U.S.	1999 U.S.	1998 NON-U.S.	1998 U.S.
Reduction of projected benefit obligations -- discontinued operations	--	(107,604)	--	--
Projected benefit obligations at end of year	91,888	171,106	32,571	259,468
Fair value of plan assets at beginning of year	--	310,024	--	294,790
Actual return on plan assets	--	65,040	--	26,968
Benefits paid and plan expenses	--	(12,679)	--	(11,734)
Transfer out -- discontinued operations	--	(107,850)	--	--
Fair value of plan assets at end of year	--	254,535	--	310,024
Plan assets less (greater) than projected benefit obligations	91,888	(83,429)	32,571	(50,556)
Unrecognized net transition asset	--	1,024	--	2,254
Unrecognized prior service costs	(918)	(54)	(1,146)	(77)
Unrecognized net gain	2,385	48,078	2,619	7,779
Accrued pension liability (asset)	$93,355	$(34,381)	$34,044	$(40,600)
Actuarial assumptions as of the year-end measurement date:				
Discount rate	5.8%	7.5%	6.5%	6.5%
Rate of compensation increase	3.5%	4.5%	4.0%	4.5%
Expected rate of return on assets	--	9.0%	--	9.0%

Non-U.S. accrued pension liabilities classified as long-term liabilities totaled $122 million and $34 million as of January 2, 2000 and January 3, 1999, respectively. The U.S. pension asset was classified as other noncurrent assets.

The Company also sponsors a supplemental executive retirement plan to provide senior management with benefits in excess of normal pension benefits. At January 2, 2000 and January 3, 1999, the projected benefit obligations were $14.9 million and $13.8 million, respectively. Assets with a fair value of $9.8 million and $10.1 million, segregated in a trust, were available to meet this obligation as of January 2, 2000 and January 3, 1999, respectively. Pension expense for this plan was approximately $1.8 million in 1999, $1.4 million in 1998 and $1.3 million in 1997.

Postretirement Medical Plans: The Company provides health care benefits for eligible retired U.S. employees under a comprehensive major medical plan or under health maintenance organizations where available. The majority of the Company's U.S. employees become eligible for retiree health benefits if they retire directly from the Company and have at least ten years of service. Generally, the major medical plan pays stated percentages of covered expenses after a deductible is met and takes into consideration payments by other group coverages and by Medicare. The plan requires retiree contributions under most circumstances and has provisions for cost-sharing changes. For employees retiring after 1991, the Company has capped its medical premium contribution based on employees' years of service. The Company funds the amount allowable under a 401(h) provision in the Company's defined benefit pension plan. Assets of the plan are composed primarily of equity and debt securities.

Net periodic postretirement medical benefit cost (credit) included the following components:

(IN THOUSANDS)	1999	1998	1997
Service cost	$ 289	$ 360	$ 317
Interest cost	1,036	1,250	1,237
Expected return on plan assets	(1,304)	(1,245)	(804)
Net amortization and deferral	(1,022)	(402)	(1,148)
	$(1,001)	$ (37)	$ (398)

The following table sets forth the changes in the postretirement medical plan's funded status and the amounts recognized in the Company's Consolidated Balance Sheets at January 2, 2000 and January 3, 1999:

(IN THOUSANDS)	1999	1998
Actuarial present value of accumulated benefit obligations:		
Retirees	$13,672	$11,448
Active employees eligible to retire	800	565
Other active employees	5,256	5,032
Accumulated benefit obligations at beginning of year	19,728	17,045
Service cost	289	360
Interest cost	1,036	1,250
Benefits paid	(1,204)	(1,394)
Actuarial loss (gain)	(2,782)	2,467
Settlement loss -- discontinued operations	381	--
Curtailment gain -- discontinued operations	(2,350)	--
Reduction of accumulated benefit obligations -- discontinued operations	(2,231)	--
Change in accumulated benefit obligations during the year	(6,861)	2,683
Retirees	10,379	13,672
Active employees eligible to retire	371	800
Other active employees	2,117	5,256
Accumulated benefit obligations at end of year	12,867	19,728
Fair value of plan assets at beginning of year	15,255	13,839
Actual return on plan assets	3,214	1,416
Benefits paid and plan expenses	(757)	--
Transfer out -- discontinued operations	(3,238)	--
Fair value of plan assets at end of year	14,474	15,255
Fair value of plan assets less (greater) than accumulated benefit obligations	(1,605)	4,473
Unrecognized net gain	9,234	7,483
Accrued postretirement medical liability	$ 7,629	$11,956

(IN THOUSANDS)	1999	1998
Actuarial assumptions as of the year-end measurement date:		
Discount rate	7.5%	6.5%
Expected rate of return on assets	9.0%	9.0%
Health care cost trend rate:		
First year	9.0%	9.0%
Ultimate	5.5%	5.5%
Time to reach ultimate	4 years	5 years

The accrued postretirement medical liability included $6.6 million and $11 million classified as long-term liabilities as of January 2, 2000 and January 3, 1999, respectively.

If the health care cost trend rate was increased 1%, the accumulated postretirement benefit obligations would have increased by approximately $0.5 million at January 2, 2000. The effect of this increase on the annual cost for 1999 would have been approximately $45,000. If the health care cost trend rate was decreased 1%, the accumulated postretirement benefit obligations would have decreased by approximately $0.4 million at January 2, 2000. The effect of this decrease on the annual cost for 1999 would have been approximately $39,000.

Deferred Compensation Plans: During 1998, the Company implemented certain nonqualified deferred compensation programs that provide benefits payable to officers and certain key employees or their designated beneficiaries at specified future dates, upon retirement or death. Benefit payments under these plans are funded by a combination of contributions from participants and the Company.

Employee Stock Purchase Plan: The Company has an Employee Stock Purchase Plan, whereby participating employees have the right to purchase common stock at a price equal to 85% of the lower of the closing price on the first day or the last day of the six-month offering period. The number of shares which an employee may purchase, subject to certain aggregate limits, is determined by the employee's voluntary contribution which may not exceed 10% of base compensation.

Other: In April 1999, the Company's stockholders approved the 1999 Incentive Plan, under which cash performance awards as well as an aggregate of 3.5 million shares of the Company's common stock were made available for option grants, restricted stock awards, performance units and other stock-based awards.

The Company incurred a $2.8 million charge in 1997 related to a cash deficit in an employee benefit plan.

NOTE 18. REIMBURSEMENT OF INVESTED CAPITAL

In 1997, the Company received a $30.4 million payment as part of the negotiation of a joint development contract. This payment represented a $27 million reimbursement of previously invested capital, which will be amortized to income over the estimated life of the related assets, and a $3.4 million reimbursement of cost of capital, which was included in other income. The reimbursement, net of accumulated amortization, included in long-term liabilities was $15.3 million as of January 2, 2000 and $20.4 million as of January 3, 1999.

NOTE 19. CONTINGENCIES

The Company is subject to various claims, legal proceedings and investigations covering a wide range of matters that arise in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company has established accruals for matters that are probable and reasonably estimable. Management believes that any liability that may ultimately result from the resolution of these matters in excess of amounts provided will not have a material adverse effect on the financial position or results of operations of the Company.

In addition, the Company is conducting a number of environmental investigations and remedial actions at current and former Company locations and, along with other companies, has been named a potentially responsible party (PRP) for certain waste disposal sites. The Company accrues for environmental issues in the accounting period that the Company's responsibility is established and when the cost can be reasonably estimated. The Company has accrued $12.3 million as of January 2, 2000, representing management's estimate of the total cost of ultimate disposition of known environmental matters. Such amount is not discounted and does not reflect any recovery of any amounts through insurance or indemnification arrangements. These cost estimates are subject to a number of variables, including the stage of the environmental investigations, the magnitude of the possible contamination, the nature of the potential remedies, possible joint and several liability, the timeframe over which remediation may occur and the possible effects of changing laws and regulations. For sites where the Company has been named a PRP, management does not currently anticipate any additional liability to result from the inability of other significant named parties to contribute. The Company expects that such accrued amounts could be paid out over a period of up to five years. As assessments and remediation activities progress at each individual site, these liabilities are reviewed and adjusted to reflect additional information as it becomes available. There have been no environmental problems to date that have had or are expected to have a material effect on the Company's financial position or results of operations. While it is reasonably possible that a material loss exceeding the amounts recorded may have been incurred, the preliminary stages of the investigations make it impossible for the Company to reasonably estimate the range of potential exposure.

The Company has received notices from the Internal Revenue Service (IRS) asserting deficiencies in federal corporate income taxes for the Company's 1985 to 1994 tax years. The total additional tax proposed by the IRS amounts to $74 million plus interest. The Company has filed petitions in the United States Tax Court to challenge most of the deficiencies asserted by the IRS. The Company believes that it has meritorious legal defenses to those deficiencies and believes that the ultimate outcome of the case will not result in a material impact on the Company's consolidated results of operations or financial position.

NOTE 20. RISKS AND UNCERTAINTIES

For information concerning various investigations, claims, legal proceedings, environmental investigations and remedial actions, and notices from the IRS, see Note 19. For information concerning factors affecting future performance, see Management's Discussion and Analysis.

Costs incurred under cost-reimbursable government contracts, primarily in the former Technical Services segment, which is presented as discontinued operations, are subject to audit by the government. The results of prior audits, completed through 1995, have not had a material effect on the Company.

The Company's management and operations contracts with the DOE are presented as discontinued operations. The Company's last DOE management and operations contract expired on September 30, 1997. The Company is in the process of negotiating contract closeouts and does not anticipate incurring any material loss in excess of previously established reserves.

NOTE 21. STOCKHOLDERS' EQUITY

Stock-Based Compensation: Under the 1999 Incentive Plan, 3.5 million additional shares of the Company's common stock were made available for option grants, restricted stock awards, performance units and other stock-based awards. At January 2, 2000, 11.4 million shares of the Company's common stock were reserved for employee benefit plans.

The Company has nonqualified and incentive stock option plans for officers and key employees. Under these plans, options may be granted at prices not less than 100% of the fair market value on the date of grant. Options expire 7-10 years from the date of grant, and options granted since 1994 become exercisable, in

ratable installments, over periods of 3-5 years from the date of grant. The Stock Option Committee of the Board of Directors, at its sole discretion, may also include stock appreciation rights in any option granted. There are no stock appreciation rights outstanding under these plans.

The following table summarizes stock option activity for the three years ended January 2, 2000:

(SHARES IN THOUSANDS)	1999 NUMBER OF SHARES	1999 WEIGHTED-AVERAGE PRICE	1998 NUMBER OF SHARES	1998 WEIGHTED-AVERAGE PRICE	1997 NUMBER OF SHARES	1997 WEIGHTED-AVERAGE PRICE
Outstanding at beginning of year	3,300	$20.05	4,187	$19.64	4,161	$19.56
Granted	2,711	25.94	568	22.82	927	19.19
Exercised	(1,109)	19.08	(1,209)	19.87	(363)	16.74
Lapsed	(330)	23.28	(246)	20.29	(538)	20.23
Outstanding at end of year	4,572	23.53	3,300	20.05	4,187	19.64
Exercisable at end of year	1,851	19.31	1,540	19.46	2,195	19.85
Available for grant at end of year	4,665		2,866		2,290	

The following table summarizes information about stock options outstanding at January 2, 2000:

RANGE OF EXERCISE PRICES (SHARES IN THOUSANDS)	OPTIONS OUTSTANDING NUMBER OF SHARES	OPTIONS OUTSTANDING WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	OPTIONS OUTSTANDING WEIGHTED-AVERAGE EXERCISE PRICE	OPTIONS EXERCISABLE NUMBER OF SHARES	OPTIONS EXERCISABLE WEIGHTED-AVERAGE EXERCISE PRICE
$ 5.64 - 15.28	348	3.8	$13.37	348	$13.37
15.95 - 23.44	2,053	5.1	20.32	1,435	20.22
25.75 - 39.19	2,171	7.0	28.19	68	30.36
5.64 - 39.19	4,572	5.9	23.53	1,851	19.31

During 1999, 1,611,000 options were granted pursuant to the 1992 Stock Option Plan at exercise prices ranging from $25.75 per share to $28.81 per share; 421,000 options were granted pursuant to the 1999 Incentive Plan at exercise prices ranging from $29.69 per share to $39.19 per share and 250,000 options were granted to an officer at an exercise price of $27.25 per share pursuant to a plan other than the 1992 and 1999 Plans. In connection with the acquisition of Lumen Technologies, Lumen options were converted into approximately 429,000 Company stock options, effective January 5, 1999. These options had an average exercise price of $14.47 per share and were fully vested. In January 1998, the Board of Directors granted 400,000 options to an officer at an exercise price of $21.19 per share; 200,000 options were granted pursuant to the 1992 Plan, and 200,000 options were granted pursuant to a plan other than the 1992 Plan. In addition, 167,500 options were granted pursuant to the 1992 Plan at various dates in 1998 at exercise prices ranging from $23.13 per share to $30.25 per share. In December 1997, 927,000 options were granted at an exercise price of $19.19 per share.

The weighted-average fair values of options granted during 1999, 1998 and 1997 were $9.14, $6.83 and $6.14, respectively. The values were estimated on the date of grant using the Black-Scholes option pricing model. The following weighted-average assumptions were used in the model:

	1999	1998	1997
Risk-free interest rate.............................	4.9%	5.4%	5.9%
Expected dividend yield.............................	2%	2%	2%
Expected lives......................................	5.5 years	6 years	7 years
Expected stock volatility...........................	27%	27%	26%

In April 1999, the Company's stockholders approved the 1998 Employee Stock Purchase Plan, whereby participating employees currently have the right to purchase common stock at a price equal to 85% of the lower of the closing price on the first day or the last day of the six-month offering period. The first offering period, for which the employee discount was 10%, began on September 1, 1998 and ended on June 30, 1999. The number of shares which an employee may purchase, subject to certain aggregate limits, is determined by the employee's voluntary contribution which may not exceed 10% of base compensation. During 1999, the Company issued 358,000 shares under this plan at a weighted-average price of $22.14 per share. There remains available for sale to employees an aggregate of 2.1 million shares of the Company's stock out of 2.5 million shares authorized by the stockholders.

As permitted by SFAS No. 123, Accounting for Stock-Based Compensation, the Company continues to apply APB Opinion No. 25 in accounting for its stock option and stock purchase plans. As required, the following table disclosed pro forma net income and diluted earnings per share had compensation cost for the Company's stock-based compensation plans been determined based on the fair value approach:

(IN THOUSANDS EXCEPT PER SHARE DATA)	1999	1998	1997
Net income:			
As reported.......................................	$154,316	$102,002	$33,692
Pro forma...	145,354	100,000	32,891
Diluted earnings per share:			
As reported.......................................	3.31	2.22	.74
Pro forma...	3.12	2.18	.72

Pro forma compensation cost may not be representative of that to be expected in future years since the estimated fair value of stock options is amortized to expense over the vesting period, and additional options may be granted in future years.

Shareholder Rights Plan: Under a Shareholder Rights Plan, preferred stock purchase rights were distributed on February 8, 1995 as a dividend at the rate of one right for each share of common stock outstanding. Each right, when exercisable, entitles a stockholder to purchase one one-thousandth of a share of a new series of junior participating preferred stock at a price of $60. The rights become exercisable only if a person or group acquires 20% or more or announces a tender or exchange offer for 30% or more of the Company's common stock. This preferred stock is nonredeemable and will have 1,000 votes per share. The rights are nonvoting, expire in 2005 and may be redeemed prior to becoming exercisable. The Company has reserved 70,000 shares of preferred stock, designated as Series C Junior Participating Preferred Stock, for issuance upon exercise of such rights. If a person (an Acquiring Person) acquires or obtains the right to acquire 20% or more of the Company's outstanding common stock (other than pursuant to certain approved offers), each right (other than rights held by the Acquiring Person) will entitle the holder to purchase shares of common stock of the Company at one-half of the current market price at the date

of occurrence of the event. In addition, in the event that the Company is involved in a merger or other business combination in which it is not the surviving corporation or in connection with which the Company's common stock is changed or converted, or it sells or transfers 50% or more of its assets or earning power to another person, each right that has not previously been exercised will entitle its holder to purchase shares of common stock of such other person at one-half of the current market price of such common stock at the date of the occurrence of the event.

Comprehensive Income: The components of accumulated other comprehensive income (loss) were as follows:

(IN THOUSANDS)	FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	UNREALIZED GAINS ON SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
Balance, December 29, 1996	$ 18,228	$1,204	$ 19,432
Current year change	(22,608)	(681)	(23,289)
Balance, December 28, 1997	(4,380)	523	(3,857)
Current year change	7,723	(137)	7,586
Balance, January 3, 1999	3,343	386	3,729
Current year change	(17,804)	35	(17,769)
Balance, January 2, 2000	$(14,461)	$ 421	$(14,040)

The tax effects related to each component of other comprehensive income (loss) were as follows:

(IN THOUSANDS)	BEFORE-TAX AMOUNT	TAX (PROVISION) BENEFIT	AFTER-TAX AMOUNT
1999			
Foreign currency translation adjustments	$(17,804)	$ --	$(17,804)
Unrealized gains on securities:			
Gains arising during the period	143	(50)	93
Reclassification adjustment	(89)	31	(58)
Net unrealized gains	54	(19)	35
Other comprehensive income (loss)	$(17,750)	$(19)	$(17,769)
1998			
Gross foreign currency translation adjustments	$ 4,608	$ --	$ 4,608
Reclassification adjustment for translation losses realized upon sale of Sealol Industrial Seals	3,115	--	3,115
Unrealized losses on securities arising during the period	(211)	74	(137)
Other comprehensive income	$ 7,512	$ 74	$ 7,586
1997			
Foreign currency translation adjustments	$(22,608)	$ --	$(22,608)
Unrealized losses on securities:			
Losses arising during the period	(1,008)	353	(655)
Reclassification adjustment	(40)	14	(26)
Net unrealized losses	(1,048)	367	(681)
Other comprehensive income (loss)	$(23,656)	$367	$(23,289)

NOTE 22. FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and accounts receivable. The Company believes it had no significant concentrations of credit risk as of January 2, 2000.

The Company has relatively limited involvement with derivative financial instruments. In the ordinary course of business, the Company enters into foreign exchange forward contracts for periods consistent with its

committed exposures to mitigate the effect of foreign currency movements on transactions denominated in foreign currencies. Transactions covered by hedge contracts include intercompany and third-party receivables and payables. The contracts are primarily in European and Asian currencies, generally have maturities that do not exceed one month and have no cash requirements until maturity. Credit risk and market risk are minimal because the forward contracts are with very large banks, and gains and losses are offset against foreign exchange gains and losses on the underlying hedged transactions. From time to time the Company enters into foreign exchange forward contracts to mitigate the effect of foreign currency movements associated with anticipatory transactions denominated in foreign currencies. Realized gains and losses on foreign currency instruments, which are hedges of committed transactions on assets and liabilities, are recognized at the time the underlying transaction is completed. Realized and unrealized gains and losses on forward contracts, which are not hedges of committed transactions, are recognized in income. The notional amount of outstanding forward contracts was $75 million as of January 2, 2000 and $42 million as of January 3, 1999. The carrying value as of January 2, 2000 and January 3, 1999, which approximated fair value, was not significant.

See Notes 1, 13 and 15 for disclosures about fair values, including methods and assumptions, of other financial instruments.

NOTE 23. LEASES

The Company leases certain property and equipment under operating leases. Rental expense charged to continuing operations for 1999, 1998 and 1997 amounted to $19.2 million, $10.1 million and $10.1 million, respectively. Minimum rental commitments under noncancelable operating leases are as follows: $19 million in 2000, $14.6 million in 2001, $12.9 million in 2002, $12.1 million in 2003, $11.4 million in 2004 and $12.4 million after 2004.

NOTE 24. INDUSTRY SEGMENT AND GEOGRAPHIC AREA INFORMATION

In 1998, the Company adopted SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, which changed the way the Company reports information about its operating segments. The Company's businesses are reported as four reportable segments which reflect the Company's management and structure under four SBUs. The accounting policies of the reportable segments are the same as those described in Note 1. The Company evaluates the performance of its operating segments based on operating profit. Intersegment sales and transfers are not significant.

The operating segments and their principal products and services are:

Life Sciences: Sample handling and measuring instruments, computer software and chemical reagents for use in bio-screening and population screening laboratories. Bio-screening activities include academic research applications and drug discovery applications in high throughput screening laboratories of major pharmaceutical companies. Population screening activities include inherited and infectious disease screening, as well as routine clinical diagnostics.

Optoelectronics: A broad spectrum of optoelectronic products, including large area amorphous silicon detectors, high volume and high-performance specialty lighting sources, detectors, imaging devices, as well as telecom products, which include emitters, receivers and mux arrays.

Instruments: Products and services for detection, measurement and testing applications, including analytical instruments for the pharmaceutical, food and beverage, environmental, chemical and plastics industries.

Fluid Sciences: Static and dynamic seals, sealing systems, solenoid valves, bellows devices, advanced pneumatic components, systems and assemblies and sheet metal-formed products for original equipment manufacturers and end users.

Sales to U.S. government agencies, which were predominantly to the Department of Defense and NASA in the former Technical Services segment, which is reflected as discontinued operations in the accompanying financial statements (see Note 8), were $326 million, $524 million and $537 million in 1999, 1998 and 1997, respectively. In 1998, the Company's joint venture with Johnson Controls was unsuccessful in its bid to provide support services to NASA and the Air Force at Florida's Kennedy Space Center, Cape Canaveral Air Station and Patrick Air Force Base. The NASA contract at the Kennedy Space Center contributed sales of $134 million in 1998 and $168 million in 1997.

Sales and operating profit by segment for the three years ended January 2, 2000 are shown in the table below:

(IN THOUSANDS)	1999	1998	1997
LIFE SCIENCES			
Sales	$ 163,587	$148,124	$125,380
Operating Profit	15,453	9,046	10,108
OPTOELECTRONICS			
Sales	412,592	268,558	261,291
Operating Profit (Loss)	34,934	(5,454)	(23,128)
INSTRUMENTS			
Sales	607,281	247,388	236,839
Operating Profit (Loss)	(9,351)	6,659	17,966
FLUID SCIENCES			
Sales	179,669	167,646	127,087
Operating Profit	22,204	5,194	8,846
OTHER			
Sales	--	22,666	176,885
Operating Profit	3,412	104,279	13,227
CONTINUING OPERATIONS			
Sales	1,363,129	854,382	927,482
Operating Profit	66,652	119,724	27,019

The Company's Technical Services segment and former Department of Energy segment are presented as discontinued operations and, therefore, are not included in the preceding table. The results for the periods presented included certain nonrecurring items which are discussed in the Management's Discussion and Analysis section of this document.

Additional information relating to the Company's operating segments is as follows:

	DEPRECIATION AND AMORTIZATION EXPENSE			CAPITAL EXPENDITURES		
(IN THOUSANDS)	1999	1998	1997	1999	1998	1997
Life Sciences	$ 6,189	$ 5,059	$ 4,091	$ 7,465	$ 5,415	$ 3,352
Optoelectronics	34,430	25,615	19,528	21,155	17,256	21,312
Instruments	17,292	10,573	11,688	6,555	8,382	7,616

Fluid Sciences..............	7,093	6,042	3,090	4,515	10,325	9,488
Other.......................	1,111	1,221	4,301	1,402	3,111	5,874
Continuing operations......	$66,115	$48,510	$42,698	$41,092	$44,489	$47,642
Discontinued operations....	$ 841	$ 1,869	$ 1,914	$ 1,341	$ 2,033	$ 1,087

(IN THOUSANDS)	TOTAL ASSETS 1999	TOTAL ASSETS 1998
Life Sciences..	$ 125,025	$ 128,970
Optoelectronics..	448,453	479,818
Instruments..	854,452	183,590
Fluid Sciences...	102,421	112,898
Other..	184,289	233,502
	$1,714,640	$1,138,778

Other total assets consisted primarily of cash and cash equivalents, prepaid pension, prepaid taxes and, in 1998, net assets of discontinued operations.

The following geographic area information for continuing operations includes sales based on location of external customer and net property, plant and equipment based on physical location:

(IN THOUSANDS)	SALES 1999	SALES 1998	SALES 1997
U.S.	$ 661,609	$447,793	$512,503
Germany...	98,787	67,647	71,390
Japan...	73,567	28,306	21,630
United Kingdom..................................	71,493	47,794	65,462
Italy...	56,433	17,565	19,204
France..	50,282	35,329	44,417
Other Non-U.S.	350,958	209,948	192,876
	$1,363,129	$854,382	$927,482

(IN THOUSANDS)	NET PROPERTY, PLANT AND EQUIPMENT 1999	NET PROPERTY, PLANT AND EQUIPMENT 1998
U.S.	$133,812	$133,550
Germany..	21,570	21,923
Finland..	17,277	15,431
Canada...	14,718	8,861
United Kingdom...	13,282	3,453
Other Non-U.S.	27,375	35,462
	$228,034	$218,680

Effectively all of the sales and net property, plant and equipment of the discontinued operations (consisting of the Technical Services segment and former DOE segment) were U.S. based.

NOTE 25. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Selected quarterly financial information follows:

(IN THOUSANDS EXCEPT PER SHARE DATA)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR
1999					
Sales	$243,217	$304,258	$388,413	$427,241	$1,363,129
Operating income (loss) from continuing operations	17,028	1,940	(328)	48,012	66,652
Income (loss) from continuing operations before income taxes	12,396	(4,257)	(8,932)	45,663	44,870
Income (loss) from continuing operations	8,042	(2,725)	(5,801)	28,855	28,371
Net income	14,087	3,617	103,773	32,839	154,316
Basic earnings (loss) per share:					
Continuing operations	.18	(.06)	(.13)	.62	.62
Net income	.31	.08	2.27	.71	3.39
Diluted earnings (loss) per share:					
Continuing operations	.18	(.06)	(.13)	.61	.61
Net income	.31	.08	2.27	.69	3.31
Cash dividends per common share	.14	.14	.14	.14	.56
Market price of common stock:					
High	30.19	36.25	39.94	45.00	45.00
Low	25.50	26.50	31.50	36.63	25.50
Close	26.75	35.75	38.75	41.69	41.69
1998					
Sales	$219,642	$209,424	$191,503	$233,813	$ 854,382
Operating income from continuing operations	46,398	40,006	10,153	23,167	119,724
Income from continuing operations before income taxes	44,484	38,913	13,661	21,269	118,327
Income from continuing operations	28,588	27,753	8,743	13,917	79,001
Net income	34,483	31,614	15,437	20,468	102,002
Basic earnings per share:					
Continuing operations	.63	.61	.19	.31	1.74
Net income	.76	.69	.34	.46	2.25
Diluted earnings per share:					
Continuing operations	.62	.60	.19	.31	1.72
Net income	.75	.68	.33	.45	2.22
Cash dividends per common share	.14	.14	.14	.14	.56
Market price of common stock:					
High	28.50	33.75	30.13	29.44	33.75
Low	19.44	27.13	18.88	20.50	18.88
Close	27.75	29.69	22.44	27.81	27.81

NOTE 26. SUBSEQUENT EVENTS

Acquisition: On January 14, 2000, the Company completed its previously announced acquisition of Vivid Technologies, Inc. (Vivid). The transaction was a stock merger whereby the shareholders of Vivid

received one share of the Company's common stock for each 6.2 shares of Vivid common stock. The Company issued approximately 1.6 million shares in connection

with the acquisition, resulting in a total transaction value of approximately $66 million. Vivid, which is a leading supplier of automated explosive detection systems utilized in airports and high-security facilities worldwide, generated sales of $21 million for the fiscal year ended September 30, 1999. The transaction will be accounted for as a purchase in accordance with APB Opinion No. 16.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of PerkinElmer, Inc.:

We have audited the accompanying consolidated balance sheets of PerkinElmer, Inc. (a Massachusetts corporation) and subsidiaries as of January 2, 2000 and January 3, 1999 and the related consolidated statements of income, stockholders' equity and cash flows for the years ended January 2, 2000, January 3, 1999 and December 28, 1997. 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 conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PerkinElmer, Inc. and subsidiaries as of January 2, 2000 and January 3, 1999, and the results of their operations and their cash flows for the years ended January 2, 2000, January 3, 1999 and December 28, 1997 in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Arthur Andersen LLP
Boston, Massachusetts
January 25, 2000

PART III

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

None.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

a) DIRECTORS

The information required by this Item with respect to Directors is contained in the Company's 2000 Proxy Statement for the Annual Meeting of Stockholders to be held on April 25, 2000 (the "2000 Proxy Statement") under the captions "Election of Directors," "Information Relative to the Board of Directors and Certain of its Committees," and "Section 16(a) Beneficial Ownership Reporting Compliance" and is herein incorporated by reference.

b) EXECUTIVE OFFICERS

The information required by this item with respect to Executive Officers is contained in Part I of this Report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is contained under the captions

"Summary Compensation Table" up to and including "Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Value Option Table" and Notes thereto in the 2000 Proxy Statement, and is herein incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is contained under the captions "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management" in the 2000 Proxy Statement, and is herein incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is contained under the caption "Certain Transactions" in the 2000 Proxy Statement, and is herein incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) DOCUMENTS FILED AS PART OF THIS REPORT:

1. FINANCIAL STATEMENTS

Included in Part II, Item 8:

Consolidated Income Statements for the Three Years Ended January 2, 2000

Consolidated Balance Sheets as of January 2, 2000 and January 3, 1999

Consolidated Statements of Stockholders' Equity for the Three Years Ended January 2, 2000

Consolidated Statements of Cash Flows for the Three Years Ended January 2, 2000

Notes to Consolidated Financial Statements

Report of Independent Public Accountants

2. FINANCIAL STATEMENT SCHEDULES

Report of Independent Public Accountants on Financial Statement Schedules

Schedule II -- Valuation and Qualifying Accounts

Financial statement schedules, other than those above, are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

Separate financial statements of the Registrant are omitted since it is primarily an operating company, and since all subsidiaries included in the consolidated financial statements being filed, in the aggregate, do not have minority equity interests and/or indebtedness to any person other than the Registrant or its consolidated subsidiaries in amounts which together exceed five percent of total consolidated assets.

3. EXHIBITS

3.1	The Company's Restated Articles of Organization were filed with the Commission on March 30, 1999 as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999 and are herein incorporated by reference.
3.2	Articles of Amendment to the Company's Restated Articles of

Organization were filed with the Commission on November 5, 1999 as Exhibit 3 to the Company's Report on Form 8-K and are herein incorporated by reference.

3.3 The Company's By-Laws as amended and restated by the Board of Directors on April 27, 1999 are attached hereto as Exhibit 3.3.

4.1 Specimen Certificate of the Company's Common Stock, $1 par value, was filed with the Commission on November 5, 1999 as Exhibit 4 to the Company's Report on Form 8-K and is herein incorporated by reference.

4.2 Form of Indenture dated June 28, 1995 between the Company and the First National Bank of Boston, as Trustee, was filed with the Commission as Exhibit 4.1 to the Company's Registration Statement on Form S-3, File No. 33-59675 and is herein incorporated by reference.

*10.1 The Company's Supplemental Executive Retirement Plan revised as of April 19, 1995 was filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, and is herein incorporated by reference.

*10.2 The Company's 1999 INCENTIVE PLAN was filed with the Commission on April 2, 1999 as Exhibit B to the Company's Definitive Proxy Statement on Schedule 14A and is herein incorporated by reference.

10.3 5-Year Competitive Advance and Revolving Credit Facility Agreement (referred to as the "5-Year Agreement") dated as of March 21, 1994 among the Company, the Lenders Named Herein and The Chase Manhattan Bank as Administrative Agent; Amendment No. 1 dated as of March 15, 1995; and Amendment No. 2 dated as of March 14, 1996 were filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and are herein incorporated by reference. Amendment No. 3 dated as of March 7, 1997 was filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1996 and is also herein incorporated by reference. Amendment No. 4 dated as of November 20, 1998 was filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999 and is also herein incorporated by reference.

10.4 $300,000,000 Amended and Restated Competitive Advance and Revolving Credit Facility Agreement dated as of March 3, 2000 among the Company, the Lenders Named Herein and The Chase Manhattan Bank as Administrative Agent, which is attached hereto as Exhibit 10.4, amends and restates the Competitive Advance and Revolving Credit Facility Agreement dated as of March 5, 1999 among the Company, the Lenders Named Herein and The Chase Manhattan Bank as Administrative Agent, which was filed with the Commission as Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999 and is herein incorporated by reference.

*10.5 Employment Contracts:

(1) Employment contract between Gregory L. Summe and the Company dated January 8, 1998, as amended by an amendment dated November 5, 1999, is attached hereto as Exhibit 10.5(a).

(2) Employment contract between Robert F. Friel and the Company dated November 18, 1999.

(3) Employment contract between Terrance L. Carlson and the Company dated August 1, 1999.

(4) Employment contract between Angelo D. Castellana and the Company dated November 10, 1999.

(5) Employment contract between Richard F. Walsh and the Company dated July 29, 1999.

(6) Employment contract between Robert A. Barrett and the Company dated July 23, 1999.

(7) Employment contract between Patrik Dahlen and the

Company dated October 1, 1999.

(8) Employment contract between John J. Engel and the Company dated December 1, 1999.

(9) Employment contract between Robert J. Rosenthal and the Company dated July 23, 1999.

(10) Employment contract between Gregory D. Perry and the Company dated August 8, 1999.

Except for the name of the officer in the employment contracts identified by numbers 2 through and including 10, the form of said employment contracts is identical in all material respects. The employment contract between Angelo D. Castellana and the Company is representative of the employment contracts of these executive officers and is attached hereto as Exhibit 10.5(b).

*10.6	The Company's 1982 INCENTIVE STOCK OPTION PLAN was filed as Exhibit 4(v) to the Company's Registration Statement on Form S-8, File No. 33-36082 and is herein incorporated by reference.
*10.7	The Company's 1992 STOCK OPTION PLAN was filed as Exhibit 4(vi) to the Company's Registration Statement on Form S-8, File No. 333-32059 and is herein incorporated by reference.
*10.8	The Company's 1998 EMPLOYEE STOCK PURCHASE PLAN was filed with the Commission on March 30, 1999 as Exhibit 10.8 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999 and is herein incorporated by reference.
*10.9	Agreement and General Release between the Company and Murray Gross dated April 30, 1999.
*10.10	Agreement and General Release between the Company and Daniel T. Heaney dated November 3, 1998.

*10.11	Agreement and General Release between the Company and Deborah S. Lorenz dated June 6, 1998.
21	Subsidiaries of the Registrant.
23	Consent of Independent Public Accountants (appears on signature page).
24	Power of Attorney (appears on signature page).
27	Financial Data Schedule.

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* This exhibit is a management contract or compensatory plan or arrangement required to be filed as an Exhibit pursuant to Item 14(c) of Form 10-K.

(b) REPORTS ON FORM 8-K

A report on Form 8-K was filed with the Commission on November 5, 1999 regarding an amendment to the Company's Restated Articles of Organization filed with the Massachusetts Secretary of State on October 26, 1999 by which the Company changed its name from "EG&G, Inc." to "PerkinElmer, Inc."

A report on Form 8-K was filed with the Commission on November 23, 1999 regarding the sale of the Technical Services segment and the restatement of financial statements and other information to reflect Technical Services as a discontinued operation.

(c) PROXY STATEMENT

The Company's 2000 Proxy Statement, in definitive form, was filed electronically on March 27, 2000 with the Securities and Exchange Commission in Washington, D.C. pursuant to the Commission's Rule 14a-6.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON SCHEDULES

To PerkinElmer, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of PerkinElmer, Inc. included in this Form 10-K and have issued our report thereon dated January 25, 2000. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedule II is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ ARTHUR ANDERSEN LLP

Arthur Andersen LLP
Boston, Massachusetts
January 25, 2000

SCHEDULE II

PERKINELMER, INC. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS
FOR THE THREE YEARS ENDED JANUARY 2, 2000
(IN THOUSANDS)

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	PROVISIONS	CHARGES/ WRITEOFFS	OTHER	BALANCE AT END OF YEAR
RESERVE FOR DOUBTFUL ACCOUNTS					
Year Ended December 28, 1997.......	$ 4,126	$ 2,090	$ (1,211)	$ (295)	$ 4,710
Year Ended January 3, 1999.........	$ 4,710	$ 1,084	$ (960)	$ (434)(a)	$ 4,400
Year Ended January 2, 2000.........	$ 4,400	$ 2,569	$ (1,302)	$ 7,261(b)	$12,928
ACCRUED RESTRUCTURING COSTS					
Year Ended December 28, 1997.......	$ --	$ 4,433	$ (1,408)	$ --	$ 3,025
Year Ended January 3, 1999.........	$ 3,025	$50,027	$(23,483)	$ 5,000(c)	$34,569
Year Ended January 2, 2000.........	$34,569	$11,520(e)	$(32,525)	$28,195(d)	$41,759

(a) Includes reserves for doubtful accounts of $1,371 related to companies acquired in 1998.

(b) Includes reserve for doubtful accounts of $6,500 related to a company acquired in 1999.

(c) Represents accrued restructuring costs of $5,000 related to a company acquired in 1998.

(d) Represents accrued restructuring costs of $28,195 related to a company acquired in 1999.

(e) Includes a $23,500 restructuring charge and an $11,980 reversal of prior year's charges.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our reports dated January 25, 2000, included in this Form 10-K, into Registration Statements previously filed by PerkinElmer, Inc. on, respectively, Form S-8, File No. 2-98168; Form S-8, File No. 33-36082; Form S-8, File No. 33-35379; Form S-8, File No. 33-49898; Form S-8, File No. 33-57606;

Form S-8, File No. 33-54785; Form S-8, File No. 33-62805; Form S-8, File No. 333-8811; Form S-8, File No. 333-32059; Form S-8, File No. 333-32463; Form S-3, File No. 33-59675; Form S-8, File No. 333-50953; Form S-8, File No. 333-56921; Form S-8, File No. 333-58517; Form S-8, File No. 333-61615; Form S-8, File No. 333-65367; Form S-8, File No. 333-69115; Form S-8, File No. 333-70977; Form S-3, File No. 333-71069; Form S-8, File No. 333-81759; Form S-4, File No. 333-91535 and Form S-8, File No. 333-30150.

/s/ ARTHUR ANDERSEN LLP

Arthur Andersen LLP
Boston, Massachusetts
March 28, 2000

POWER OF ATTORNEY

We, the undersigned officers and directors of PerkinElmer, Inc., hereby severally constitute Gregory L. Summe, and Terrance L. Carlson, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names, in the capacities indicated below, this Annual Report on Form 10-K and any and all amendments to said Annual Report on Form 10-K, and generally to do all such things in our name and behalf in our capacities as officers and directors to enable PerkinElmer, Inc. to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission, hereby rectifying and confirming signed by our said attorneys, and any and all amendments thereto.

Witness our hands on the date set forth below.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

PERKINELMER, INC.

SIGNATURE	TITLE	DATE
By: /s/ GREGORY L. SUMME Gregory L. Summe	Chairman of the Board, Chief Executive Officer and President (Principal Executive Officer)	March 28, 2000
By: /s/ ROBERT F. FRIEL Robert F. Friel	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 28, 2000
By: /s/ GREGORY D. PERRY Gregory D. Perry	Vice President, Control and Treasury (Principal Accounting Officer)	March 28, 2000

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATE INDICATED:

SIGNATURE	TITLE	DATE
By: /s/ TAMARA J. ERICKSON Tamara J. Erickson	Director	March 17, 2000
By: /s/ KENT F. HANSEN	Director	March 15, 2000

Kent F. Hansen		
By: /s/ JOHN F. KEANE John F. Keane	Director	March 28, 2000
By: /s/ NICHOLAS A. LOPARDO Nicholas A. Lopardo	Director	March 16, 2000
By: /s/ GRETA E. MARSHALL Greta E. Marshall	Director	March 28, 2000
By: /s/ GABRIEL SCHMERGEL Gabriel Schmergel	Director	March 28, 2000
By: /s/ MICHAEL C. RUETTGERS Michael C. Ruettgers	Director	March 28, 2000
By: /s/ GREGORY L. SUMME Gregory L. Summe	Director	March 28, 2000
By: /s/ JOHN LARKIN THOMPSON John Larkin Thompson	Director	March 16, 2000
By: /s/ G. ROBERT TOD G. Robert Tod	Director	March 28, 2000

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT NAME
3.1	The Company's Restated Articles of Organization were filed with the Commission on March 30, 1999 as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999 and are herein incorporated by reference.
3.2	Articles of Amendment to the Company's Restated Articles of Organization were filed with the Commission on November 5, 1999 as Exhibit 3 to the Company's Report on Form 8-K and are herein incorporated by reference.
3.3	The Company's By-Laws as amended and restated by the Board of Directors on April 27, 1999.
4.1	Specimen Certificate of the Company's Common Stock, $1 par value, was filed with the Commission on November 5, 1999 as Exhibit 4 to the Company's Report on Form 8-K and is herein incorporated by reference.
4.2	Form of Indenture dated June 28, 1995 between the Company and the First National Bank of Boston, as Trustee, was filed with the Commission as Exhibit 4.1 to the Company's Registration Statement on Form S-3, File No. 33-59675 and is herein incorporated by reference.
10.1	The Company's Supplemental Executive Retirement Plan revised as of April 19, 1995 was filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, and is herein incorporated by reference.
10.2	The Company's 1999 INCENTIVE PLAN was filed with the Commission on April 2, 1999 as Exhibit B to the Company's Definitive Proxy Statement on Schedule 14A and is herein incorporated by reference.

10.3	5-Year Competitive Advance and Revolving Credit Facility Agreement (referred to as the "5-Year Agreement") dated as of March 21, 1994 among the Company, the Lenders Named Herein and The Chase Manhattan Bank as Administrative Agent; Amendment No. 1 dated as of March 15, 1995; and Amendment No. 2 dated as of March 14, 1996 were filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 and are herein incorporated by reference. Amendment No. 3 dated as of March 7, 1997 was filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1996 and is also herein incorporated by reference. Amendment No. 4 dated as of November 20, 1998 was filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999 and is also herein incorporated by reference.
10.4	$300,000,000 Amended and Restated Competitive Advance and Revolving Credit Facility Agreement dated as of March 3, 2000 among the Company, the Lenders Named Herein and The Chase Manhattan Bank as Administrative Agent, which is attached hereto as Exhibit 10.4, amends and restates the Competitive Advance and Revolving Credit Facility Agreement dated as of March 5, 1999 among the Company, the Lenders Named Herein and The Chase Manhattan Bank as Administrative Agent, which was filed with the Commission as Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999 and is herein incorporated by reference.
10.5(a)	Employment Contract between the Company and Gregory L. Summe dated January 8, 1998, as amended by an amendment dated November 5, 1999.
10.5(b)	Employment Contract between the Company and Angelo D. Castellana dated November 10, 1999.
10.6	The Company's 1982 INCENTIVE STOCK OPTION PLAN was filed as Exhibit 4(v) to the Company's Registration Statement on Form S-8, File No. 33-36082 and is herein incorporated by reference.
10.7	The Company's 1992 STOCK OPTION PLAN was filed as Exhibit 4(vi) to the Company's Registration Statement on Form S-8, File No. 333-32059 and is herein incorporated by reference.

Exhibit 3.3

PERKINELMER, INC. BY-LAWS

As of April 27, 1999

ARTICLE I.

Stockholders.

1. Place of Meetings. All meetings of stockholders shall be held within Massachusetts unless the Articles of Organization permit the holding of stockholder meetings outside Massachusetts, in which event such meetings may be held either within or without Massachusetts. Meetings of stockholders shall be held at the principal office of the corporation unless a different place is fixed by the Directors or the Chairman of the Board and stated in the notice of the meeting. (Amended by Directors 4/20/78 and 3/23/83)

2. Annual Meetings. The annual meeting of stockholders shall be held on the fourth Tuesday of April in each year (or if that be a legal holiday in the place where the meeting is to be held, on the next succeeding full business day) at 10:30 o'clock A.M., unless a different hour is fixed by the Directors or the Chairman of the Board and stated in the notice of the meeting. The purposes for which the annual meeting is to be held, in addition to those prescribed by law, by the Articles of Organization or by these By-Laws, may be specified by the Directors or the Chairman of the Board. If no annual meeting is held in accordance with the foregoing provisions, a special meeting may be held in lieu thereof and any action taken at such meeting shall have the same effect as if taken at the annual meeting. (Amended by Directors, 4/20/78; Amended by Stockholders, 4/21/83)

3. Special Meetings. Special meetings of stockholders may be called by the President or by the Directors. In addition, upon written application of one or more stockholders who are entitled to vote and who hold at least the Required Percentage (as defined below) of the capital stock entitled to vote at the meeting (the "Voting Stock"), special meetings shall be called by the Clerk, or in case of the death, absence, incapacity or refusal of the Clerk, by any other officer. For purposes of this Section 3, the "Required Percentage" shall be 40% or such lesser percentage as shall constitute the maximum percentage permitted by law for this purpose. Any request for a call of special meeting of stockholders (a "Call") by the holders of the Required Percentage of the Voting Stock shall be governed by and subject to the following:

(a) Any stockholder of record seeking to solicit requests for a Call pursuant to this Section 3 shall so notify the corporation in writing to the Clerk of the corporation, and such written notification shall set forth the reason or reasons for the Call and the purpose or purposes of such special meeting.

(b) No solicitation of stockholder requests for a Call (a "Call Solicitation") may be commenced (I) before the Call Request Record Date, as defined in paragraph (c) of this Section 3, or (ii) during the period of 90 days following the most recent meeting of the stockholders of the corporation.

(c) In order that the corporation may determine the stockholders entitled to request a Call, the Board of Directors of the corporation shall fix a record date (the "Call Request Record Date"). Any stockholder of record seeking to solicit stockholder requests for a Call shall, with delivery to the corporation of the written information specified in paragraph (a), request in writing that the Board of Directors fix the Call Request Record Date. The Board of Directors shall, within 10 days after the date on which such request is received, adopt a resolution fixing the Call Request Record Date, and such Call Request Record Date shall be not more than 10 days after the date upon which such resolution is adopted by the Board of Directors.

(d) All requests for a Call and revocations thereof shall be delivered to the corporation no later than the 30th day (the "Delivery Date") after the Call Request Record Date.

(e) Any stockholder may revoke a prior request for a Call or opposition to a Call by an instrument in writing delivered prior to the Delivery Date.

(f) Promptly after the Delivery Date, requests for a Call and revocations thereof shall be counted and verified by an independent party selected by the corporation.

(g) If, in response to any Call Solicitation, the holders of record of the Required Percentage of the Voting Stock as of the Call Request Record Date submit valid and unrevoked requests for a Call no later than the Delivery Date, the Board of Directors of the corporation shall fix a record date and a meeting date for the special meeting, provided that the date to be fixed for such meeting shall be no earlier than 60 days or later than 90 days after the Delivery Date, and provided further that the Board of Directors shall not be obligated to fix a meeting date or to

hold any meeting of stockholders within 60 days of the next scheduled meeting of the stockholders of the corporation.

(h) In the absence of a quorum at any special meeting called pursuant to a Call Solicitation, such special meeting may be postponed or adjourned from time to time only by the officer of the corporation entitled to preside at such meeting.

(i) If a Call Solicitation does not receive the support of the holders of record of the Required Percentage of the Voting Stock, no subsequent Call may be made or solicited by any stockholder during a period of 90 days after the Delivery Date. (Amended by Directors, 4/20/78, 3/23/83, 4/24/90 and 4/23/91)

4. Notice of Meetings. A written notice of every meeting of stock-holders, stating the place, date and hour thereof, and the purposes for which the meeting is to be held, shall be given by the Clerk or other person calling the meeting at least seven days before the meeting to each stockholder entitled to vote thereat and to each stockholder who, by law, by the Articles of Organization or by these By-Laws, is entitled to such notice, by leaving such notice with him or at his residence or usual place of business, or by mailing it postage prepaid and addressed to him at his address as it appears upon the books of the corporation. Whenever any notice is required to be given to a stockholder by law, by the Articles of Organization or by these By-Laws, no such notice need be given if a written waiver of notice, executed before or after the meeting by the stockholder or his attorney thereunto duly authorized, is filed with the records of the meeting.

5. Quorum. Unless the Articles of Organization otherwise provide, a majority in interest of all stock issued, outstanding and entitled to vote on any matter shall constitute a quorum with respect to that matter, except that if two or more classes of stock are outstanding and entitled to vote as separate classes, then in the case of each such class a quorum shall consist of a majority in interest of the stock of that class issued, outstanding and entitled to vote.

6. Adjournments. Except as provided in Section 3 of this Article I, any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these By-Laws by the stockholders present or represented at the meeting, although less than a quorum, or by any officer entitled to preside or to act as clerk of such meeting, if no stockholder is present. It shall not be necessary to notify any stockholder of any adjournment. Any business which could have been transacted at any meeting of

the stockholders as originally called may be transacted at any adjournment thereof. (Amended by Directors, 4/24/90)

7. Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held by him of record according to the records of the corporation and a proportionate vote for a fractional share so held by him, unless otherwise provided by the Articles of Organization. Stockholders may

vote either in person or by written proxy dated not more than six months before the meeting named therein. Proxies shall be filed with the clerk of the meeting, or of any adjournment thereof, before being voted. Except as otherwise limited therein, proxies shall entitle the persons named therein to vote at any adjournment of such meeting, but shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by one of them, unless at or prior to exercise of the proxy the corporation receives a specific written notice to the contrary from any one of them. A proxy purported to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise.

8. Action at Meeting. When a quorum is present, the vote of a majority of the stock present or represented and voting on a matter (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the vote of a majority of the stock of that class present or represented and voting on a matter), except where a larger vote is required by law, the Articles of Organization or these By-Laws, shall decide any matter to be voted on by the stockholders. Any election by stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote at the election. No ballot shall be required for such election unless requested by a stockholder present or represented at the meeting and entitled to vote in the election. The Corporation shall not directly or indirectly vote any share of its stock. Nothing in this Section shall be construed as limiting the right of this Corporation to vote shares of stock held directly or indirectly by it in a fiduciary capacity. In the event that a vote of stockholders of this Corporation is required to approve an agreement to consolidate this Corporation with another corporation to form a new corporation, or to merge this Corporation into another corporation, or to merge or consolidate another corporation into this Corporation, the vote of two-thirds of each class of stock of this Corporation outstanding and entitled to vote on the question, voting separately, shall be necessary for the approval of such agreement.
(Amended by Directors, 5/24/89)

9. Action without Meeting. Any action to be taken by stockholders may be taken without a meeting if all stockholders entitled to vote on the matter consent to the action by a writing filed with the records of the meetings of stockholders. Such consent shall be treated for all purposes as a vote at a meeting.

ARTICLE II.

Directors.

1. Powers. The business of the corporation shall be managed by a Board of Directors who may exercise all the powers of the corporation except as otherwise provided by law, by the Articles of Organization or by these By-Laws. In the event of a vacancy in the Board of Directors, the remaining Directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2. Number and Election. The number of Directors which shall constitute the whole Board of Directors shall be such number, not less than three nor more than thirteen, as shall be fixed by vote of the stockholders or the Board of Directors. During the time periods specified in this Section 2, the Board of Directors shall be divided into three classes in respect of term of office, each class to contain, as nearly as possible, one-third of the whole number of the Board. Of the Board of Directors elected at the Annual Meeting of Stockholders in 1975, the members of one class shall serve until the Annual Meeting of Stockholders held two years following their election, and the members of the third class shall serve until the Annual Meeting of Stockholders held three years following their election; provided, however, that in each case Directors shall serve until their successors shall be elected and qualified. At each Annual Meeting of Stockholders, commencing with the Annual Meeting in 1976 through and including the Annual Meeting in 1995, the successors of the Directors of the class whose terms expire in that year shall be elected to serve until the Annual Meeting of Stockholders held three years next following (and until their successors shall be duly elected and qualified), so that the term of one class of Directors shall expire in each year. At each Annual Meeting of Stockholders, commencing with the Annual Meeting in 1996, the successors of the Directors whose terms expire in that year shall be elected to serve until the Annual Meeting of Stockholders held in the following year (and until their

successors shall be duly elected and qualified), so that, upon the expiration in 1998 of the terms of the Directors elected at the Annual Meeting in 1995, all Directors shall be elected to hold office for a one-year term (and until their

successors shall be duly elected and qualified). (Amended by Directors, 5/16/74 and 1/25/95)

3. Vacancies. A vacancy in the Board of Directors, however occurring, unless and until filled by the stockholders, may be filled by the Directors. (Amended by Directors, 5/16/74 and 1/25/95)

4. Change in Number of the Board. The number of the Board of Directors may be increased or decreased and one or more additional Directors elected at any special meeting of the stockholders or by a vote of a majority of the Directors then in office. For so long as the Directors are divided into classes in accordance with the terms of Section 2 of this Article II, Directors who are elected to fill vacancies, whether or not created by an enlargement of the Board, shall be apportioned among the classes so as to make all classes as nearly equal in number as possible. Directors who are elected to fill vacancies, whether or not created by an enlargement of the Board, shall serve until the expiration of the term of his or her predecessor and until his or her successor is duly elected and qualified. No decrease in the number of the Board of Directors shall shorten the term of any incumbent Directors. (Amended by Directors, 5/16/74 and 1/25/95)

5. Resignation and Retirement. Any Director may resign by delivering his written resignation to the corporation at its principal office or to the Chairman of the Board, the President, Clerk or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some event. Except in special circumstances specifically approved by the Board, a Director shall be deemed to have retired at the Annual Meeting of Stockholders following the date the Director shall have attained the age of seventy. (Amended by Directors, 5/16/74, 4/20/78 and 12/17/97)

6. Removal. A Director may be removed from office (a) with or without cause by a vote of two-thirds of the stock outstanding and entitled to vote in the election of Directors, provided that the Directors of a class elected by a particular class of stockholders may be removed only by the vote of two-thirds of the shares of such class which are outstanding and entitled to vote or (b) for cause by vote of a majority of the Directors then in office. A Director may be removed for cause only after reasonable notice and opportunity to be heard before the body proposing to remove him. (Amended by Stockholders, 4/16/74)

7. Meetings. Regular meetings of the Directors may be held without call or notice at such places, within or without Massachusetts, and at such times as the

Directors may from time to time determine, provided that any Director who is absent when such determination is made shall be given notice of the determination. A regular meeting of the Directors may be held without a call or notice at the same place as the annual meeting of stockholders, or the special meeting held in lieu thereof, following such meeting of stockholders.

Special meetings of the Directors may be held at any time and place, within or without Massachusetts, designated in a call by the Chairman of the Board, the President, Treasurer or two or more Directors. (Amended by Directors, 4/20/78 and 3/23/83)

8. Notice of Special Meetings. Notice of all special meetings of the Directors shall be given to each Director by the Secretary, or if there be no Secretary, by the Clerk, or Assistant Clerk, or in case of the death, absence, incapacity or refusal of such persons, by the officer or one of the Directors calling the meeting. Notice shall be given to each Director in person or by telephone or by telegram sent to his business or home address at least forty-eight hours in advance of the meeting, or by written notice mailed to his business or home address at least seventy-two hours in advance of the meeting. Notice need not be given to any Director if a written waiver of notice, executed by him before or after the meeting, is filed with the records of the meeting, or

to any Director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. A notice or waiver of notice of a Directors' meeting need not specify the purposes of the meeting.

9. Quorum. At any meeting of the Directors, a majority of the Directors then in office shall constitute a quorum. Less than a quorum may adjourn any meeting from time to time without further notice.

10. Action at Meeting. At any meeting of the Directors at which a quorum is present, the vote of a majority of those present, unless a different vote is specified by law, by the Articles of Organization or by these By-Laws, shall be sufficient to take any action.

11. Action by Consent. Any action by the Directors may be taken without a meeting if a written consent thereto is signed by all the Directors and filed with the records of the Directors' meetings. Such consent shall be treated as a vote of the Directors for all purposes.

12. Committees. The Directors may, by vote of a majority of the Directors then in office, elect from their number an executive committee or other committees and may by like vote delegate thereto some or all of their powers except those which by law, the Articles of Organization or these By-Laws they are prohibited from delegating. Except as the Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Directors or in such rules, its business shall be conducted as nearly as may be in the same manner as is provided by these By-Laws for the Directors.

ARTICLE III.

Officers.

1. Enumeration. The officers of the corporation shall consist of a Chairman of the Board, President, one or more Vice Presidents, a Treasurer, a Clerk and such other officers as the Directors may determine. Such other officers may include, without limiting the foregoing, a Controller and a Secretary or one or more Assistant Vice Presidents, Assistant Controllers, Assistant Treasurers, Assistant Clerks and Assistant Secretaries. (Amended by Directors, 3/25/81 and 3/23/83)

2. Election. The Chairman of the Board, President, Treasurer and Clerk shall be elected annually by the Directors at their first meeting following the annual meeting of stockholders. Other officers may be appointed by the Directors at such meeting or at any other meeting. The Chief Executive Officer shall also have the power to appoint Assistant Vice Presidents, Assistant Treasurers, Assistant Controllers, Assistant Clerks and Assistant Secretaries. (Amended by Directors, 3/25/81 and 3/23/83)

3. Qualification. The Chairman of the Board and the President shall be Directors. No officer need be a stockholder. Any two or more officers may be held by the same person, provided that the Chairman of the Board and Clerk shall not be the same person, nor shall the President and Clerk be the same person. The Clerk shall be a resident of Massachusetts unless the corporation has a resident agent appointed for the purpose of service of process. Any officer may be required by the Directors to give bond for the faithful performance of his duties to the corporation in such amount and with such sureties as the Directors may determine. (Amended by Directors, 4/20/78 and 3/23/83)

4. Tenure. Except as otherwise provided by law, by the Articles of Organization or by these By-Laws, the Chairman of the Board, President, Treasurer

and Clerk shall hold office until the first meeting of the Directors following the annual meeting of stockholders and thereafter until his successor is chose and qualified; and all other officers appointed by the Directors or by the Chief Executive Officer shall hold office until the first meeting of the Directors following the annual meeting of stockholders, unless a different term is specified in choosing or appointing them. Any officer may resign by delivering his written resignation to the corporation at its principal office or to the

Chairman of the Board, President, Clerk or Secretary, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. (Amended by Directors, 3/25/81 and 3/23/83)

5. Removal. The Directors may remove any officer with or without cause by a vote or a majority of the entire number of Directors then in office, provided, that an officer may be removed for cause only after reasonable notice and opportunity to be heard by the Board of Directors prior to action thereon.

6. Chairman of the Board. The Directors shall appoint a Chairman of the Board. When present he shall preside at all meetings of the Directors and stockholders and shall have such other powers and duties as are usually vested in the office of Chairman of the Board as well as such other powers and duties as may be vested in him by the Board of Directors. (Amended by Directors, 4/20/78 and 3/23/83)

7. President. The President shall have general supervision and control of all or a substantial portion of the operations of the business, as well as such other power and duties as may be vested in the President by the Board of Directors, or the Chief Executive Officer if other than the President. In the absence of the Chairman of the Board, the President shall preside, when present, at all meetings of the Directors and stockholders. In the absence or disability of the Chief Executive Officer, if other than the President, the President shall perform the duties and exercise the powers of the Chief Executive Officer. (Amended by Directors, 4/20/78, 3/23/83 and 4/25/89)

8. Chief Executive Officer. The Board of Directors, shall appoint, as the Chief Executive Officer of the Company, the President, the Chairman of the Board, or any other officer of the corporation as the Board of Directors may deem appropriate. The Chief Executive Officer shall have the ultimate supervision and control of the operations of the business. (Amended by Directors, 3/23/83)

9. Vice President and Assistant Vice President. Unless otherwise specified by the Board of Directors, the Vice President, or if there shall be more than one, the Vice Presidents in the order determined by the Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties and shall have such other powers as the Directors or the Chief Executive Officer may from time to time prescribe. (Amended by Directors, 3/25/81, 3/23/83 and 11/28/84)

An Assistant Vice President shall have such duties and powers as the Directors, the Chief Executive Officer may from time to time prescribe. (Amended by Directors, 3/25/81 and 3/23/83)

10. Financial Officers. In addition to the election of a Treasurer, the Directors may appoint one or more additional financial officers. The Directors may designate one of the officers as the chief financial officer who, subject to the direction of the Directors and the Chief Executive Officer, shall have overall supervision and control of the internal and external financial affairs of the corporation including financial reporting, and the management of the assets of the corporation as well as such other powers and duties as may be vested in him by the Directors or the Chief Executive Officer. He shall have responsibility, custody and control of all funds, securities and valuable documents of the corporation except as the Directors may otherwise provide. (Amended by Directors, 3/23/83)

The Treasurer shall, subject to the direction of the Directors, the Chief Executive Officer and the chief financial officer, if there be one, have general charge of managing the assets of the corporation. He shall perform such other duties as may be vested in him by the Directors, the Chief Executive Officer, or the chief financial officer. In the event the Directors have not designated a chief financial officer, or, if one is designated, in his absence or disability, the Treasurer shall have custody of all funds, securities and valuable documents of the corporation except as the Directors may otherwise provide. (Amended by Directors, 3/23/83)

The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Directors, shall in the absence or disability of the Treasurer, perform the duties and exercise the

powers of the Treasurer and shall perform such other duties and shall have such other powers as the Directors may from time to time prescribe. (Amended by Directors, 3/25/81)

The Assistant Controller, or if there shall be more than one, the Assistant Controllers in the order determined by the Directors, shall, in the absence or disability of the Controller, perform the duties and exercise the powers of the Controller and shall perform such other duties and shall have such other powers as the Directors may from time to time prescribe. (Amended by Directors, 3/25/81)

11. Clerk and Assistant Clerks. The Clerk shall keep a record of the meetings of stockholders. Unless a Transfer Agent is appointed, the clerk shall keep or cause to be kept in Massachusetts, at the principal office of the corporation or at his office, the stock and transfer records of the corporation, in which are contained the names of all stockholders and the record address, and the amount of stock held by each.

If there is no Secretary or Assistant Secretary, the Clerk shall keep the record of the meetings of the Directors.

The Assistant Clerk, or if there shall be more than one, the Assistant Clerks in the order determined by the Directors, shall, in the absence or disability of the Clerk, perform the duties and exercise the powers of the Clerk and shall perform such other duties and shall have such other powers as the Directors may from time to time prescribe.

12. Secretary and Assistant Secretaries. If a Secretary is appointed, he shall attend all meetings of the Directors and shall keep a record of the meetings of the Directors. He shall, when required, notify the Directors of their meetings, and shall have such other powers and shall perform such other duties as the Directors may from time to time prescribe.

The Assistant Secretary, or if there shall be more than one, the Assistant Secretaries in the order determined by the Directors, shall in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and shall have such other powers as the Directors may from time to time prescribe.

13. Other Powers and Duties. Each officer shall, subject to these By-Laws, have in addition to the duties and powers specifically set forth in these By-Laws, such duties and powers as are customarily incident to his office, and such duties and powers as the Directors may from time to time designate.

ARTICLE IV.

Capital Stock.

1. Certificates of Stock. Each stockholder shall be entitled to a certificate of the capital stock of the corporation in such form as may be prescribed from time to time by the Directors. The certificate shall be signed by the Chairman of the Board of Directors, the President or a Vice President and by the Treasurer or any Assistant Treasurer, but when a certificate is countersigned by a transfer agent or a registrar, other than a Director, officer of employee of the corporation, such signatures may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the time of its issue. (Amended by Directors, 4/20/78 and 1/22/92)

Every certificate for shares of stock which are subject to any restriction on transfer pursuant to the Articles of Organization, the By-Laws or any agreement to which the corporation is a party, shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restrictions and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge. Every certificate issued

when the corporation is authorized to issue more than one class or series of stock shall set forth on its face or back either the full text of the preferences, voting powers, qualifications and special and relative rights of the shares of each class and series authorized to be issued or a statement of the existence of such preferences, powers, qualifications and rights and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

2. Transfers. Subject to the restrictions, if any, stated or noted on the stock certificates, shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with necessary transfer stamps affixed, and with such proof of the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Articles of Organization or by these By-Laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with

respect thereto, regardless of any transfer pledge or other disposition of such stock, until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-Laws.

It shall be the duty of each stockholder to notify the corporation of his post office address and of his taxpayer identification number.

3. Record Date. The Directors may fix in advance a time not more than sixty days preceding the date of any meeting of stockholders or the date for the payment of any dividend or the making of any distribution to stockholders or the last day on which the consent or dissent of stockholders may be effectively expressed for any purpose, as the record date for determining the stockholders having the right to notice of and to vote at such meeting, and any adjournment thereof, or the right to receive such dividend or distribution or the right to give such consent or dissent. In such case only stockholders of record on such record date shall have such right, notwithstanding any transfer of stock on the books of the corporation after the record date. Without fixing such record date the Directors may for any of such purposes close the transfer books for all or any part of such period.

4. Replacement of Certificates. In case of the alleged loss or destruction or the mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof, upon such terms as the Directors may prescribe, including the presentation of reasonable evidence of such loss, destruction or mutilation and the giving of such indemnity as the Directors may require for the protection of the corporation or any transfer agent or registrar.

5. Issue of Capital Stock. Unless otherwise voted by the stockholders, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of the capital stock of the corporation held in its treasury may be issued or disposed of by vote of the Directors, in such manner, for such consideration and on such terms as the Directors may determine.

ARTICLE V

Miscellaneous Provisions.

1. Fiscal Year. The fiscal year of the corporation shall end on the 31st day of December in each year in which such date falls on Sunday, or the Sunday next preceding or following the 31st day of December in each year, which ever

Sunday is nearest to such 31st day of December.

2. Seal. The seal of the corporation shall, subject to alteration by the Directors, bear its name, the word "Massachusetts", and the year of its incorporation.

3. Execution of Instruments. All deeds, leases, transfers, contracts, bonds, notes and other obligations authorized to be executed by an officer of the corporation in its behalf shall be signed by the Chairman of the Board and Chief Executive Officer or the Treasurer except as the Directors may generally or in particular cases otherwise determine. (Amended by Directors, 4/20/78)

4. Voting of Securities. Except as the Directors may otherwise designate, the Chairman of the Board, the President the chief financial officer, Treasurer or clerk may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for, this corporation (with or without power of substitution) at any meeting of stockholders or shareholders of any other corporation or organization, the securities of which may be held by this corporation. (Amended by Directors, 4/20/78)

5. Corporate Records. The original, or attested copies, of the Articles of Organization, By-Laws and records of all meetings of the incorporators and stockholders, and the stock and transfer records, which shall contain the names of all stockholders and the record address and the amount of stock held by each, shall be kept in Massachusetts at the principal office of the corporation, or at an office of its transfer agent or of the Clerk. Said copies and records need not all be kept in the same office. They shall be available at all reasonable times to the inspection of any stockholder for any proper purpose, but not to secure a list of stockholders for the purpose of selling said list or copies thereof or of using the same for a purpose other than in the interest of the applicant, as a stockholder, relative to the affairs of the corporation.

6. Evidence of Authority. A certificate by the Clerk or Secretary, or an Assistant Clerk or Assistant Secretary, or a temporary Clerk or temporary Secretary, as to any action taken by the stockholders, Directors, Executive Committee or any officer or representative of the corporation shall as to all persons who rely thereon in good faith be conclusive evidence of such action.

7. Articles of Organization. All references in these By-Laws to the Articles

of Organization shall be deemed to refer to the Articles of Organization of the corporation, as amended and in effect from time to time.

8. Transactions with Interested Parties. In the absence of fraud, no contract or other transaction between this corporation and any other corporation or any firm, association, partnership or person shall be affected or invalidated by the fact that any Director or officer of this corporation is pecuniarily or otherwise interested in or is a director, member or officer of such other corporation or of such firm, association or partnership or is a party to or is pecuniarily or otherwise interested in such contract or other transaction or is in any way connected with any person or persons, firm, association, partnership or corporation pecuniarily or otherwise interested therein; provided that the fact that he individually or as a director, member or officer of such corporation, firm, association or partnership is such a party or is so interested shall be disclosed to or shall have been known by the Board of Directors or a majority of the Board of Directors at which action upon any such contract or transaction shall be taken; any Director may be counted in determining the existence of a quorum and may vote at any meeting of the Board of Directors of this corporation for the purpose of authorizing any such contract or transaction with like force and effect as if he were not so interested, or were not a director, member or officer of such other corporation, firm, association or partnership, provided that any vote with respect to such contract or transaction must be adopted by a majority of the Directors then in office who have no interest in such contract or transaction.

INDEMNIFICATION

9.(a) Actions, Suits and Proceedings. The corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was, or has agreed to become, a director or officer of the corporation, or is or was serving, or has agreed to serve, at the request of the corporation, as a director or officer of, or in a similar capacity with, another organization or

in any capacity with respect to any employee benefit plan of the corporation (all such persons being referred to hereafter as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments and fines incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, unless the Indemnitee shall be finally adjudicated in such action, suit or proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation

or, to the extent such matter relates to service with respect to an employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan. Notwithstanding anything to the contrary in this Article, except as set forth in Section 6 below, the corporation shall not indemnify an Indemnitee seeking indemnification in connection with a proceeding (or part thereof) initiated by the Indemnitee unless the initiation thereof was approved by the Board of Directors of the corporation. Notwithstanding anything to the contrary in this Article, the corporation shall not indemnify an Indemnitee to the extent such Indemnitee is reimbursed from the proceeds of insurance, and in the event the corporation makes any indemnification payments to an Indemnitee and the Indemnitee is subsequently reimbursed from the proceeds of insurance, such Indemnitee shall promptly refund such indemnification payments to the corporation to the extent of such insurance reimbursement.

(b) Settlements. The right to indemnification conferred in this Article shall include the right to be paid by the corporation for amounts paid in settlement of any such action, suit or proceeding and any appeal therefrom, and all expenses (including attorneys' fees) incurred in connection with such settlement, pursuant to a consent decree or otherwise, unless and to the extent it is determined pursuant to Section 5 below that the Indemnitee did not act in good faith in the reasonable belief that his action was in the best interests of the corporation or, to the extent such matter relates to service with respect to an employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan.

(c) Notification and Defense of Claim. As a condition precedent to his right to be indemnified, the Indemnitee must notify the corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving him for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the corporation is so notified, the corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee. After notice from the corporation to the Indemnitee of its election so to assume such defense, the corporation shall not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with such claim, other than as provided below in this Section 3. The Indemnitee shall have the right to employ his own counsel in connection with such claim, but the fees and expenses of such counsel incurred after notice from the corporation of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the corporation, (ii) counsel to the Indemnitee shall have reasonably concluded that

there may be a conflict of interest or position on any significant issue between the corporation and the Indemnitee in the conduct of the defense of such action or (iii) the corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel for the Indemnitee shall be at the expense of the corporation, except as otherwise expressly provided by this Article. The corporation shall not be entitled, without the consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the corporation or as to which counsel for the Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above.

(d). Advance of Expenses. Subject to the provisions of Section 5 below, in the event that the corporation does not assume the defense pursuant to Section 3 of this Article of any action, suit, proceeding or investigation of which the corporation receives notice under this Article, any expenses (including attorneys' fees) incurred by an Indemnitee in defending a civil or

criminal action, suit, proceeding or investigation or any appeal therefrom shall be paid by the corporation in advance of the final disposition of such matter; provided, however, that the payment of such expenses incurred by an Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of the Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the corporation as authorized in this Article. Such undertaking shall be accepted without reference to the financial ability of the Indemnitee to make such repayment.

(e). Procedure for Indemnification. In order to obtain indemnification or advancement of expenses pursuant to Section 1, 2 or 4 of this Article, the Indemnitee shall submit to the corporation a written request, including in such request such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification or advancement of expenses. Any such indemnification or advancement of expenses shall be made promptly, and in any event within 60 days after receipt by the corporation of the written request of the Indemnitee, unless the corporation determines within such 60-day period that the Indemnitee did not meet the applicable standard of conduct set forth in Section 1 or 2, as the case may be. Such determination shall be made in each instance by (a) a majority vote of a quorum of the directors of the corporation, (b) a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote for directors, voting as a single class, which quorum shall consist of stockholders who are not at that time parties to the action, suit or proceeding in

question, (c) independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the corporation), or (d) a court of competent jurisdiction.

(f) Remedies. The right to indemnification or advances as granted by this Article shall be enforceable by the Indemnitee in any court of competent jurisdiction if the corporation denies such request, in whole or in part, or if no disposition thereof is made within the 60-day period referred to above in Section 5. Unless otherwise required by law, the burden of proving that the Indemnitee is not entitled to indemnification or advancement of expenses under this Article shall be on the corporation. Neither the failure of the corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, nor an actual determination by the corporation pursuant to Section 5 that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct. The Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such proceeding shall also be indemnified by the corporation.

(g) Subsequent Amendment. No amendment, termination or repeal of this Article or of the relevant provisions of Chapter 156B of the Massachusetts General Laws or any other applicable laws shall affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

(h) Other Rights. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or directors or otherwise, both as to action in his official capacity and as to action in any other capacity while holding office for the corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of the Indemnitee. Nothing contained in this Article shall be deemed to prohibit, and the corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification rights and procedures different from those set forth in this Article. In addition, the corporation may, to the extent authorized from time to time

by its Board of Directors, grant indemnification rights to other employees or agents of the corporation or other persons serving the corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article.

(i) Partial Indemnification. If an Indemnitee is entitled under any provision of this Article to indemnification by the corporation for some or a portion of the expenses (including attorneys' fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the corporation shall nevertheless indemnify the Indemnitee for the portion of such expenses (including attorneys' fees), judgments, fines or amounts paid in settlement to which the Indemnitee is entitled.

(j) Insurance. The corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another organization or employee benefit plan against any expense, liability or loss incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under Chapter 156B of the Massachusetts General Laws.

(k) Merger or Consolidation. If the corporation is merged into or consolidated with another corporation and the corporation is not the surviving corporation, the surviving corporation shall assume the obligations of the corporation under this Article with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the date of such merger or consolidation.

(l) Savings Clause. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each Indemnitee as to any expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

(m) Subsequent Legislation. If the Massachusetts General Laws are amended after adoption of this Article to expand further the indemnification permitted to Indemnitees, then the corporation shall indemnify such persons to the

fullest extent permitted by the Massachusetts General Laws, as so amended. (Amended by Directors 4/27/99)

10. Amendments. The stockholders may by a vote of two-thirds of the stock of the corporation, outstanding and entitled to vote, make, amend or repeal the By-Laws of the corporation in whole or in part at any meeting of the stockholders provided that notice of the substance of the proposed action is stated in the notice of meeting. The Directors may make, amend or repeal the By-Laws of the corporation in whole or in part at any meeting of the Directors by vote of a majority of the Directors then in office, except that the provisions thereof fixing the place of the meetings of stockholders, fixing the date of the annual meeting of stockholders, designating the number necessary to constitute a quorum at meetings of the stockholders, governing procedure with respect to the removal of Directors, affording indemnification to Directors or officers and governing amendment of these By-Laws, may be made, amended, or repealed only by the stockholders. No change in the date of the annual meeting may be made within sixty days before the date fixed in these By-Laws, and in case of any change of such date, notice thereof shall be given to each stockholder in person or by letter mailed to his last known post office address at least twenty days before the new date fixed for such meeting.

11. 1987 Massachusetts Control Share Acquisition Act. The 1987 Massachusetts Control Share Acquisition Act, Chapter 110D of the Massachusetts General Laws, as it may be amended from time to time, shall not apply to the corporation. (Amended by Directors, 9/23/87 and 1/25/95)

EXHIBIT 10.4

$300,000,000 AMENDED AND RESTATED COMPETITIVE ADVANCE AND REVOLVING CREDIT FACILITY AGREEMENT dated as of March 3, 2000 (the "Amended and Restated Credit Agreement"), among PERKINELMER, INC. (formerly known as "EG&G, Inc.") (the "Borrower"), the LENDERS listed on the signature pages hereof and THE CHASE MANHATTAN BANK, as Administrative Agent.WHEREAS, the Borrower, certain Lenders and the Administrative Agent are parties to the $250,000,000 Competitive Advance and Revolving Credit Facility Agreement dated as of March 5, 1999 (the "Credit Agreement");

WHEREAS, the Borrower has requested that the Lenders amend and restate the Credit Agreement;

WHEREAS, the undersigned Lenders are willing, on the terms and subject to the conditions set forth herein, to agree to such amendment and restatement; and

WHEREAS, each capitalized term used but not defined herein shall have the meaning assigned to it in the Credit Agreement as amended and restated hereby;

NOW, THEREFORE, in consideration of the premises, the Borrower and the undersigned Lenders hereby agree as follows:

SECTION 1. AMENDMENT AND RESTATEMENT. Effective as of the date hereof (but subject to the conditions set forth in Section 3), the Credit Agreement is hereby amended and restated in the form of a new agreement (this "Amended and Restated Credit Agreement") identical to the Credit Agreement, which is incorporated by reference herein as modified by the following amendments, and all rights and obligations of the Borrower, the Lenders and the Agent under the Credit Agreement (including accrued interest and fees) shall continue as so modified as rights and obligations of such parties under this Amended and Restated Credit Agreement:

(a) The name "EG&G, Inc." in the Credit Agreement is hereby replaced with "PerkinElmer, Inc.".

(b) The aggregate principal amount of the Lenders' Commitments set forth in the preamble of the Credit Agreement is hereby changed from "principal amount not in excess of

$250,000,000" to "principal amount not in excess of $300,000,000".

(c) The definition of "Maturity Date" in Section 1.01 of the Credit Agreement is hereby replaced in its entirety with the following:

"MATURITY DATE" shall mean March 1, 2002.

(d) The definition of "Termination Date" in Section 1.01 of the Credit Agreement is hereby replaced in its entirety with the following:

"TERMINATION DATE" shall mean March 2, 2001.

(e) The reference to the date "March 31, 1999" in Section 2.05 of the Credit Agreement is hereby replaced with "March 31, 2000".

(f) Section 2.13(b) of the Credit Agreement is hereby amended by: (i) deleting the phrase "compliance by any Lender (or any lending office of such Lender)" and inserting in place thereof "compliance by any Lender or any entity controlling a Lender (or any lending office of such Lender or entity controlling such Lender)" and (ii) deleting the phrase "reducing the rate of return on such

Lender's capital as a consequence of this Agreement" and substituting it with "reducing the rate of return on such Lender's capital (or the capital of an entity controlling such Lender) as a consequence of this Agreement".

(g) Section 2.18(a) of the Credit Agreement is hereby amended by inserting before the period at the end of the subsection ", without setoff, counterclaim or other deductions".

(h) In Section 3.04(a) of the Credit Agreement, the phrase "The unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as of January 3, 1999," is hereby deleted and replaced with "The unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as of January 3, 2000".

(i) All references to the date "September 27, 1998" in Section 3.04(b) of the Credit Agreement are hereby replaced with "September 30, 1999".

(j) Section 3.13 of the Credit Agreement is hereby deleted and replaced in its entirety with the following:

"Section 3.13. YEAR 2000. There has not occurred, and the Borrower does not expect that there will occur, any material disruption in the operations or business systems of the Borrower or its Subsidiaries resulting from the

inability of computer systems of the Borrower and its Subsidiaries or equipment containing embedded microchips to recognize or properly process dates in or following the year 2000."

(k) The reference to the date "January 3, 1999" in Section 3.14 of the Credit Agreement is hereby replaced with "September 30, 1999".

(l) Section 4.02(e) of the Credit Agreement is hereby deleted and replaced in its entirety with the following:
"(e) No Loan shall be outstanding under the $250,000,000 Competitive Advance and Revolving Credit Facility Agreement dated as of March 5, 1999."

(m) Section 9.13(c) of the Credit Agreement is hereby amended by deleting the phrase "Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01." and replacing it with "Each Borrower hereby irrevocably consents to service of process in the manner provided for notices in Section 9.01."

(n) Section 9.16(e) of the Credit Agreement is hereby deleted and replaced in its entirety with the following:

"(e) to any Affiliate of or any actual or prospective assignee or participant in any rights of such Lender or the Administrative Agent under this Agreement, provided that such Affiliate, assignee or participant delivers to the Administrative Agent or such Lender, as applicable, a confidentiality letter containing substantially the undertakings set forth in this Section 9.16 and".

(o) Schedules 2.01 and 3.08 to the Credit Agreement are hereby replaced with the Schedules 2.01 and 3.08 attached to this Amended and Restated Credit Agreement.

(p) All references in the Credit Agreement to "the date hereof" or "the date of this Agreement", and all similar references to the date of the Credit Agreement, shall be deemed references to the date of this Amended and Restated Credit Agreement.

(q) The Exhibits to the Credit Agreement are hereby amended by replacing the references to the "$250,000,000 Competitive Advance and Revolving Credit Facility Agreement dated as of March 5, 1999 (as amended, modified, extended or restated from time to time, the "Agreement")" with references to the "$300,000,000 Amended and Restated Competitive Advance and Revolving Credit Facility Agreement dated as of March 3, 2000 (the "Agreement")" and by replacing any other references therein to March 5, 1999, with references to March 3, 2000.

Additionally, all references to "EG&G, Inc." in the Exhibits to the Credit Agreement are hereby replaced with "PerkinElmer, Inc." The reference to "the Competitive Advance and Revolving Credit Facility Agreement dated as of March 5, 1999" in Exhibit D-1 to the Credit Agreement is hereby replaced with "the Amended and Restated Competitive Advance and Revolving Credit Facility Agreement dated as of March 3, 2000". The reference to "the 5-Year Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 and the Competitive Advance and Revolving Credit Facility Agreement dated as of March 5, 1999" in Exhibit D-2 to the Credit Agreement is hereby replaced with "the 5-Year Competitive Advance and Revolving Credit Facility Agreement dated as of March 21, 1994 and the Amended and Restated Competitive Advance and Revolving Credit Facility Agreement dated as of March 3, 2000".

SECTION 2. REPRESENTATIONS AND WARRANTIES. The representations and warranties set forth in Article III of the Credit Agreement, as amended by this Amended and Restated Credit Agreement, shall be deemed to have been repeated in this Amended and Restated Credit Agreement on and as of the date hereof, with all references to "this Agreement", "hereof" and "hereunder", and all similar references, being deemed to refer to this Amended and Restated Credit Agreement.

SECTION 3. EFFECTIVENESS. This Amended and Restated Credit Agreement shall become effective on the date hereof, subject to the satisfaction on and as of the date hereof of the conditions set forth in Section 4.02 of the Credit Agreement as amended hereby, with references in such Section 4.02 to "hereunder" meaning "under this Amended and Restated Credit Agreement" and references to "this Agreement" meaning this Amended and Restated Credit Agreement.

SECTION 4. APPLICABLE LAW. This Amended and Restated Credit Agreement shall be construed in accordance with and governed by the law of the State of New York.

SECTION 5. COUNTERPARTS. This Amended and Restated Credit Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one contract. Delivery of an executed counterpart of a signature page of this Amended and Restated Credit Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Amended and Restated Credit Agreement.

SECTION 6. HEADINGS. Section headings used herein are for convenience of reference only, are not part of this Amended and Restated Credit Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Amended and Restated Credit Agreement.

SECTION 7. EXPENSES. The Borrower shall reimburse the Agent for its expenses in connection with this Amended and Restated Credit Agreement as separately agreed in writing with the Agent.

IN WITNESS WHEREOF, the Borrower, the Administrative Agent and the undersigned Lenders have caused this Amended and Restated Credit Agreement to be duly executed by their duly authorized officers, all as of the date first above written.

PERKINELMER, INC.,

by

/s/ Gregory D. Perry

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Name: Gregory D. Perry

Title: VP Control & Treasury

THE CHASE MANHATTAN BANK,
individually and as Administrative
Agent,

by

/s/ Robert T. Sacks

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Name: Robert T. Sacks
Title: Managing Director

ABN AMRO BANK N.V.,

by
/s/ James E. Davis
----- -----------------------
Name: James E. Davis
Title: Group Vice President

by
/s/ Ildiko E. Juhasz
----- -----------------------
Name: Ildiko E. Juhasz
Title: Assistant VP

BANCA NAZIONALE DEL LAVORO S.p.A.

by
/s/ Giulio Giovine
----- -----------------------
Name: Giulio Giovine
Title: Vice President

by
/s/ Leonardo Valentini
----- -----------------------
Name: Leonardo Valentini
Title: First Vice President

BANK ONE, NA (main office Chicago),

by
/s/ Jeffrey Lubatkin
----- -----------------------
Name: Jeffrey Lubatkin
Title: Vice President

BARCLAYS BANK,

by
/s/ Terance Bullock
----- -----------------------
Name: Terance Bullock
Title: Vice President

DRESDNER BANK AG, New York and
Grand Cayman branches,

by
/s/ Joanna M. Solowski
----- -----------------------
Name: Joanna M. Solowski
Title: Vice President

by
/s/ J. Michael Leffler
----- -----------------------
Name: J. Michael Leffler
Title: Senior Vice President

FLEETBOSTON (Boston),

by
/s/ Jorge A. Schwarz
----- -----------------------
Name: Jorge A. Schwarz
Title: Director

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MELLON BANK, N.A.,

by
/s/ R. Jane Westrich
----- -----------------------
Name: R. Jane Westrich
Title: Vice President

NORTHERN TRUST COMPANY (Chicago),

by
/s/ Michelle D. Griffin
----- -----------------------
Name: Michelle D. Griffin
Title: Vice President

SG COWEN (New York),

by
/s/ Nicolas Guerin
----- -----------------------
Name: Nicolas Guerin
Title: Vice President

STANDARD CHARTERED BANK, (New York),

by
/s/ Natalie Yang
----- -----------------------
Name: Natalie Yang
Title: VP Corporate Banking

by
/s/ Andrew Ng
----- -----------------------
Name: Andrew Ng
Title: VP Credit Doc. Manager

WACHOVIA BANK, N.A.,

by
/s/ Sharon L. Prince
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Name: Sharon L. Prince
Title: Vice President

Exhibit 10.5(a)

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment made as of the 5th day of November, 1999, to an Employment Agreement made as of the 8th day of January, 1998 between EG&G, Inc., now PerkinElmer, Inc., a Massachusetts corporation (hereinafter called the "Company"), and Gregory L. Summe (hereinafter referred to as the "Employee").

WITNESSETH:

WHEREAS, the Employee and the Company entered into an Employment Agreement dated as of the 8th day of January, 1998; and

WHEREAS, the Employee and the Company wish to amend said Employment Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows, effective as of the date hereof:

1. Paragraph 6(a)(iv) of the Employment Agreement is hereby amended to read in its entirety as follows:

   Paragraph 5g shall be amended to read in its entirety as follows:

   "Notwithstanding the foregoing provisions, if, within 36 months following the occurrence of a Change in Control, the Employee's employment by the Company is terminated (A) by the Company other than for Cause, which shall not include any failure to perform his duties hereunder after giving notice or termination for Good Reason, disability or death or (B) by the Employee for Good Reason, (1) the Company shall pay to the Employee, on the date of his employment termination, a lump sum cash payment in an amount equal to the sum of (x) his unpaid base salary through the date of termination, (y) pro rata portion of prior year's bonus and (z) his Full Salary (as defined below) multiplied by three and (2) the Employee shall for 36 months

following the occurrence of the Change in Control be eligible to participate in all employee benefit plans and arrangements of the Company (such as life, health and disability insurance and automobile arrangements but excluding incentive arrangements and grants of stock options) to the same extent (including coverage of dependents, if any) and upon the same terms as were in effect immediately prior to his termination. For purposes of this Agreement, "Full Salary" shall mean the Employee's annual base salary, plus the amount of any bonus or incentive payments received by the Employee with respect to the last full fiscal year of the Company for which all bonus or incentive payments to be made have been made. Payments under this Paragraph 5f shall be made without regard to whether the deductibility of such payments (or any other "parachute payments," as that term is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), to or for the benefit of the Employee) would be limited or precluded by Section 280G and without regard to whether such payments (or any other "parachute payments" as so defined in said Section 280G) would subject the Employee to the federal excise tax levied on certain "excess parachute payments" under Section 4999 of the Code (the "Excise Tax"). In addition, the Employee shall be entitled to receive a payment (the "Gross-Up Payment") which shall be an amount

equal to the sum of (a) the Excise Tax imposed on any parachute payment, whether or not payable under this Agreement, and (b) the amount necessary to pay all additional taxes imposed on (or economically borne by) the Employee (including the Excise Tax, state and federal income taxes and all applicable withholding taxes) attributable to the receipt of the Gross-Up Payment, computed assuming the application of the maximum tax rates provided by law, so that after the payment of all applicable income taxes and excise taxes, the Employee will be in the same economic position in which he would have been if the Excise Tax had not been applicable. The determination of the Gross-Up Payment shall be made

at the Company's expense by Arthur Andersen & Co. or by such other certified public accounting firm as the Board of Directors of the Company may designate prior to a Change in Control of the Company. In the event of any underpayment or overpayment under this Paragraph 5g as determined by Arthur Andersen & Co. (or such other firm as may have been designated in accordance with the preceding sentence), the amount of such underpayment or overpayment shall forthwith be paid to the Employee or refunded to the Company, as the case may be, with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code."

2. Except as provided above, the Employment Contract shall continue in full force and effect.

IN WITNESS WHEREOF, the Company has caused its seal to be hereunto affixed and these presents to be signed by its proper officers, and the Employee has hereunto set his hand and seal the day and year first above written.

(SEAL) PerkinElmer, Inc.

By: /s/ Terrance L. Carlson

Terrance L. Carlson
SVP, Business Development & General Counsel

Employee: /s/ Gregory L. Summe

EMPLOYMENT AGREEMENT

This Agreement made as of the 8th day of January, 1998, between EG&G, Inc., a Massachusetts corporation (hereinafter called the "Company"), and Gregory L. Summe of Phoenix, Arizona (hereinafter referred to as the "Employee").

WITNESSETH:

WHEREAS, the Employee will be employed in a management position with the Company; and

WHEREAS, the Employee hereby agrees to continue to perform such services and duties of a management nature as shall be assigned to him; and

NOW, THEREFORE, in consideration of the sum of One Dollar, and of the mutual covenants herein contained, the parties agree as follows:

1. a) Except as hereinafter otherwise provided, the Company agrees to employ the Employee in a management position with the Company, and the Employee agrees to remain in the employment of the Company in that capacity for a period of three years from the date hereof and for three year terms thereafter until such time as this Agreement is terminated.

   b) The Company will, during each year of the term of this Agreement, place in nomination before the Board of Directors of the Company the name of the Employee for election as an Officer of the Company except when a notice of termination has been given in accordance with Paragraph 5(b).

2. The Employee agrees that, during the specified period of employment, he shall, to the best of his ability, perform his duties, and shall not engage in any business, profession or occupation which would conflict with the rendition of the agreed upon services, either directly or indirectly, without the prior approval of the Board of Directors.

3. During the period of his employment under this Agreement, the Employee shall be compensated for his services as follows:

   a) Except as otherwise provided in this Agreement, he shall be paid a salary during the period of this Agreement at a base rate to be determined by the Company on an annual basis. Except as Provided in Subparagraph 3d, such annual base salary shall under no circumstances be fixed at a rate below the annual base rate then currently in effect;

   b) He shall be reimbursed for any and all monies expended by him in connection with his employment for reasonable and necessary expenses on behalf of the Company in accordance with the policies of the Company then in effect;

   c) He shall be eligible to participate under any and all bonus, benefit, pension, compensation, and option plans which are, in accordance with company policy, available to persons in his position (within the limitation as stipulated by such plans). Such eligibility shall not automatically entitle him to participate in any such plan;

   d) If, because of adverse business conditions or for other reasons, the Company at any time puts into effect salary reductions applicable to all management employees of the Company generally, the salary payments required to be made under this Agreement to the Employee during any period in which such general reduction is in effect may be reduced by the same percentage as is applicable to all management employees of the Company generally. Any benefits made available

to the Employee which are related to base salary shall also be reduced in accordance with any salary reduction.

4. a) During the period of his employment by the Company or for any period which the Company shall continue to pay the Employee his salary under this Agreement, whichever shall be the longer, the Employee shall not directly or indirectly own, manage, control, operate, be employed by, participate in or be connected with the ownership, management, operation or control of any business which competes with the Company or its subsidiaries, provided, however, that the foregoing shall not apply to ownership of stock in a publicly held corporation which ownership is disclosed to the Board of Directors nor shall it apply to any other relationship which is disclosed to and approved by the Board of Directors.

b) During the period of his employment by the Company and two years following the Company's last payment of salary to him, the Employee shall not utilize or disclose to others any proprietary or confidential information of any type or description which term shall be construed to mean any information developed or identified by the Company which is intended to give it an advantage over its competitors or which could give a competitor an advantage if obtained by it. Such information includes, but is not limited to, product or process design, specifications, manufacturing methods, financial or statistical information about the Company, marketing or sales information about the Company, sources of supply, lists of customers, and the Company's plans, strategies, and contemplated actions.

c) During the period of his employment by the Company or for any period during which the Company shall continue to pay the Employee his salary under this Agreement, whichever shall be longer, the Employee shall not in any way whatsoever aid or assist any party seeking to cause, initiate or effect a Change in Control of the Company as defined in Paragraph 6 without the prior approval of the Board of Directors.

5. Except for the Employee covenants set forth in Paragraph 4 which covenants shall remain in effect for the periods stated therein, and subject to Paragraph 6, this Agreement shall terminate upon the happening of any of the following events and (except as provided herein) all of the Company's obligations under this Agreement, including, but not limited to, making payments to the Employee shall cease and terminate:

a) On the effective date set forth in any resignation submitted by the Employee and accepted by the Company, or if no effective date is agreed upon, the date of receipt of such letter;

b) Three years after written notice of termination is given by either party to the other party;

c) At the end of the month in which the Employee shall have attained the age of sixty-five years;

d) At the death of the Employee;

e) At the termination of the Employee for cause. As used in the Agreement, the term "cause" shall mean:

i) Misappropriating any funds or property of the Company;

ii) Unreasonable refusal to perform the duties assigned to him under this Agreement;

iii) Conviction of a felony;

iv) Violation of the Employee's covenants as set forth in Paragraph 4 above; or

v) Continued failure by the Employee to observe any of the provisions of this Agreement after being informed of such breach.

f) At termination of the Employee by the Company without cause.

g) Twelve months after written notice of termination is given by the Company to the Employee based on a determination by the Board of Directors that the Employee is disabled (which, for purposes of this Agreement, shall mean that the Employee is unable to perform his regular duties, with such determination to be made by the Board of Directors, in reliance upon the opinion of the Employee's physician or upon the opinion of one or more physicians selected by the Company). Such notice shall be given by the Company to the Employee on the 184th day of continuous disability of the Employee. Notwithstanding the foregoing, if, during the twelve-month notice period referred to

above, the Employee is no longer disabled and is able to return to work, such notice of employment termination shall be rescinded, and the employment of the Employee shall continue in accordance with the terms of this Agreement. During the first 184 days of continuous disability of the Employee, the Company will make periodic payments to the Employee in an amount equal to the difference between his base salary and the benefits provided by the Company's Short-Term Disability Income Plan. During the twelve-month notice period following 184 days of continuous disability, the Company will make periodic payments to the Employee in an amount equal to the difference between his base salary and the benefits provided by the Company's Long-Term Disability Plan. If the employment of the Employee terminates at the end of such twelve-month notice period, the Company will make periodic payments to the Employee in an amount equal to the difference between his base pay and the post-employment benefits provided to him under the Company's Long-Term Disability Plan. Due to the fact that payments to the Employee under the Company's Long-Term Disability Plan are not subject to federal income taxes, the payments to be made directly by the Company pursuant to the two preceding sentences shall be reduced such that the total amount received by the Employee (from the Company and from the Long-Term Disability Plan), after payment of any income taxes, is equal to the amount that the Employee would have received had he been paid his base salary, after payment of any income taxes on such base salary.

h) Notwithstanding the foregoing provisions, in the event of the termination of the Employee by the Company without cause, the Employee shall, until the expiration of his then current employment term or three years from the date of such termination, whichever is later, (i) continue to receive his Full Salary (as defined below), which shall be payable in accordance with the payment schedule in effect immediately prior to his employment termination, and (ii) continue to be entitled to participate in all employee benefit plans and arrangements of the Company (such as life, health and disability insurance and automobile arrangements) to the same extent (including coverage of dependents, if any) and upon the same terms as were in effect immediately prior to his termination. For purposes of this Agreement, "Full Salary" shall mean the Employee's annual base salary, plus the amount of any bonus or incentive payments received by the Employee with respect to the last full fiscal year of the Company for which all bonus or incentive payments to be made have been made.

6. a) In the event that there is a Change in Control of the Company (as defined below), the provisions of this Agreement shall be amended as follows:

i) Paragraph 1a shall be amended to read in its entirety as follows:

"Except as hereinafter otherwise provided, the Company agrees to continue to employ the Employee in a management position with the Company, and the Employee agrees to remain in the employment in the Company in that capacity, for a period of five (5) years less one day from the date of the Change in Control. Except as provided in Paragraph 3d, the Employee's salary as set forth in Paragraph 3a and his other employee benefits, pursuant to the plans described in Paragraph 3c shall not be decreased during such period."

ii) Paragraph 5a shall be amended by the addition of the following provision at the end of such paragraph:

", provided that the Employee agrees not to resign, except for Good Reason (as defined below), during the one-year period following the date of the Change in Control."

iii) Paragraph 5b shall be deleted in its entirety.

iv) Paragraph 5h shall be amended to read in its entirety as follows:

"Notwithstanding the foregoing provisions, in the event of the termination of the Employee by the Company without cause, or the resignation of the Employee for Good Reason, the Employee shall (i) receive, on the date of his employment termination, a cash payment in an amount equal to his Full Salary (as defined below) multiplied by the number of years (including any portions thereof) remaining until the expiration of his then current employment term or five years from the date of such termination, whichever is later (it being agreed that such amount shall not be discounted based upon the present value of such amount), and (ii) continue to be entitled to participate in all employee benefit plans and arrangements of the Company (such as life, health and disability insurance and automobile arrangements) to the same extent (including coverage of dependents, if any) and upon the same terms as were in effect immediately prior to his termination. For purposes of this Agreement, "Full Salary" shall mean the Employee's annual base salary, plus the amount of any bonus or incentive payments received by the Employee with respect to the last full fiscal year of the Company for which all bonus or incentive payments to be made have been made. Payments under this Paragraph 5h shall be made without regard to whether the deductibility of such payments (or any other "parachute payments," as that term is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), to or for the benefit of the Employee) would be limited or precluded by Section 280G and without regard to whether such payments (or any other "parachute payments" as so defined) would subject the Employee to the federal excise tax levied on certain "excess parachute payments" under Section 4999 of the Code; provided that if the total of all "parachute payments" to or for the benefit of the Employee, after reduction for all federal, state and local taxes (including the tax described in Section 4999 of the Code, if applicable) with respect to such payments (the "Total After-Tax Payments"), would be increased by the limitation or elimination of any payment under this Paragraph 5h, amounts payable under this Paragraph 5h shall be reduced to the extent, and only to the extent, necessary to maximize the Total After-Tax Payments. The determination as to whether and to what extent payments under this Paragraph 5h are required to be reduced in accordance with the preceding sentence shall be made at the Company's expense by Arthur Andersen & Co. or by such other certified public accounting firm as the Board of Directors of the Company may designate prior to a Change in Control of the Company. In the event of any underpayment or overpayment under this Paragraph 5h as determined by Arthur Andersen & Co. (or such other firm as may have been designated in accordance with the preceding sentence), the amount of such underpayment or overpayment shall forthwith be paid to the Employee or refunded to the Company, as the case may be, with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code."

v) Paragraph 8 shall be amended to read in its entirety as follows:

The Employee may pursue any lawful remedy he deems necessary or appropriate for enforcing his rights under this Agreement following a Change in Control of the Company, and all costs incurred by the Employee in connection therewith (including without limitation attorneys' fees) shall be promptly reimbursed to him by the

Company, regardless of the outcome of such endeavor.

b) For purposes of this Agreement, a "Change in Control of the Company" shall occur or be deemed to have occurred only if (i) any "person", as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the

Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock in the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities; (i) during any period of two consecutive years ending during the term of this Agreement, individuals who at the beginning of such period constitute the Board of Directors of the Company, and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were either directors at the beginning of the period or whose election or whose nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Directors; (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

c) For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events, except as provided in Paragraph 3d; (i) a reduction in the Employee's base salary as in effect on the date hereof or as the same may be increased from time to time; (ii) a failure by the Company to pay annual cash bonuses to the Employees in an amount at least equal to the most recent annual cash bonuses paid to the Employee; (iii) a failure by the Company to maintain in effect any material compensation or benefit plan in which the Employee participated immediately prior to the Change in Control, unless an equitable arrangement has been made with respect to such plan, or a failure to continue the Employee's participation therein on a basis not materially less favorable than existed immediately prior to the Change in Control; (iv) any significant and substantial diminution in the Employee's position, duties, responsibilities or title as in effect immediately prior to the Change in Control; (v) any requirement by the Company that the location at which the Employee performs his principal duties be changed to a new location outside a radius of 25 miles from the Employee's principal place of employment immediately prior to the Change in Control; or (vi) any requirement by the Company that the Employee travel on an overnight basis to an extent not substantially consistent with the Employee's business travel obligations immediately prior to the Change in Control. Notwithstanding the foregoing, the resignation shall not be considered to be for Good Reason if any such circumstances are fully corrected prior to the date of resignation.

7. Neither the Employee nor, in the event of his death, his legal representative, beneficiary or estate, shall have the power to transfer, assign, mortgage or otherwise encumber in advance any of the payments provided for in this Agreement, nor shall any payments nor assets or funds of the Company be subject to seizure for the payment of any debts, judgments, liabilities, bankruptcy or other actions.

8. Any controversy relating to this Agreement and not resolved by the Board of Directors and the Employee shall be settled by arbitration in the City of Boston, Commonwealth of Massachusetts, pursuant to the rules then obtaining of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction, and the Board of Directors and Employee agree to be bound by the arbitration decision on any such controversy. Unless otherwise agreed by the parties hereto, arbitration will be by

three arbitrators selected from the panel of the American Arbitration Association. The full cost of any such arbitration shall be borne by the Company.

9. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times by either party.

10. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered personally to the Employee or to the General Counsel of the Company or when mailed by registered or certified mail to the other party (if to the Company, at 45 William Street, Wellesley, Massachusetts 02481, attention General Counsel; if to the Employee, at the last known address of the Employee as set forth in the records of the Company).

11. This Agreement has been executed and delivered and shall be construed in accordance with the laws of the Commonwealth of Massachusetts. This Agreement is and shall be binding on the respective legal representatives or successors of the parties, but shall not be assignable except to a successor to the Company by virtue of a merger, consolidation or acquisition of all or substantially all of the assets of the Company. All previous employment contracts between the Employee and the Company or any of the Company's present or former subsidiaries or affiliates is hereby canceled and of no effect.

IN WITNESS WHEREOF, the Company has caused its seal to be hereunto affixed and these presents to be signed by its proper officers, and the Employee has hereunto set his hand and seal the day and year first above written.

(SEAL) EG&G, INC.

By: /s/ Murray Gross

Murray Gross
Senior Vice President & General Counsel

Employee: /s/ Gregory L. Summe

Exhibit 10.5(b)

EMPLOYMENT AGREEMENT

This Agreement made as of the 10th day of November, 1999, between PerkinElmer, Inc., a Massachusetts corporation (hereinafter called the "Company"), and Angelo D. Castellana (hereinafter referred to as the "Employee").

WITNESSETH:

WHEREAS, the Employee is being employed in a management position with the Company; and

WHEREAS, the Employee hereby agrees to continue to perform such services and duties of a management nature as shall be assigned to him; and

WHEREAS, the Employee hereby agrees to the compensation herein provided and agrees to serve the Company to the best of his ability during the period of this Agreement.

NOW, THEREFORE, in consideration of the sum of One Dollar, and of the mutual covenants herein contained, the parties agree as follows:

1. a) Except as hereinafter otherwise provided, the Company agrees to employ the employee in a management position with the Company, and the Employee agrees to remain in the employment of the Company in that capacity for a period of one year from the date hereof and from year to year thereafter until such time as this Agreement is terminated.

   b) The Company will, during each year of the term of this Agreement, place in nomination before the Board of Directors of the Company the name of the Employee for election as an Officer of the Company except when a notice of termination has been given in accordance with Paragraph 5(b).

2. The Employee agrees that, during the specified period of employment, he shall, to the best of his ability, perform his duties, and shall devote his full business time, best efforts, business judgment, skill and knowledge to the advancement of the Company and its interests and to the discharge of his duties and responsibilities hereunder. The Employee shall not engage in any business, profession or occupation which would conflict with the rendition of the agreed-upon services, either directly or indirectly, without the prior approval of the Board of Directors, except for personal investment, charitable and philanthropic activities.

3. During the period of his employment under this Agreement, the Employee shall be compensated for his services as follows:

   a) Except as otherwise provided in this Agreement, he shall be paid a salary during the period of this Agreement at a base rate to be determined by the Company on an annual basis. Except as provided in Subparagraph 3d, such annual base salary shall under no circumstances be fixed at a rate below the annual base rate then currently in effect;

   b) He shall be reimbursed for any and all monies expended by him in connection with his employment for reasonable and necessary expenses on behalf of the Company in accordance with the policies of the Company then in effect;

c) He shall be eligible to participate under any and all bonus, benefit, pension, compensation, and option plans which are, in accordance with company policy, available to persons in his position (within the limitation as stipulated by such plans). Such eligibility shall not automatically entitle him to participate in any such plan;

d) If, because of adverse business conditions or for other reasons, the Company at any time puts into effect salary reductions applicable at a single rate to management employees of the Company generally, the salary payments required to be made under this Agreement to the Employee during any period in which such general reduction is in effect may be reduced by the same percentage as is applicable to all management employees of the Company generally. Any benefits made available to the Employee which are related to base salary shall also be reduced in accordance with any salary reduction.

4.

a) So long as the Employee is employed by the Company and for a period of one year after the termination of expiration of employment, the Employee will not directly or indirectly: (i) as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, or in any other capacity whatsoever (other than as the holder of not more than one percent (1%) of the total outstanding stock of a publicly held company), engage directly or indirectly in any business or entity, which competes with the business conducted by the Company or its affiliates in any city or geographic area in which the Company or its affiliates conduct material operations at the time of termination of employment under this Agreement, except as approved in advance by the Board after full and adequate disclosure; or (ii) recruit, solicit or induct, or attempt to induce, any

employee or employees of the Company to terminate their employment with, to otherwise cease their relationship with, the Company; or (iii) solicit, divert or take away, or attempt to divert or to take away, the business or patronage of any of the clients, customers or accounts, of the Company that were contacted, solicited or served by the Employee while employed by the Company.

b) If any restriction set forth in this Section 4 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographical areas it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

c) The restrictions contained in this Section 4 are necessary for the protection of the business and goodwill of the Company and are considered by the Employee to be reasonable for such purpose. The Employee agrees that any breach of this Section 4 will cause the Company substantial and irrevocable damage and therefore, in the event of any such breach, in addition to such other remedies which may be available, the Company shall have the right to seek specific performance and injunctive relief.

d) The Employee agrees to sign and be bound by the Employee Patent and Proprietary Information Utilization Agreement in the form attached hereto.

e) During the period of his employment by the Company or for any period during which the Company shall continue to pay the Employee his salary under this Agreement, whichever shall be longer, the Employee shall not in any way whatsoever aid or assist any party seeking to cause, initiate or effect a Change in Control of the Company as defined in Paragraph 6 without the prior approval of the Board of Directors.

5. Except for the Employee covenants set forth in Paragraph 4 which covenants shall remain in effect for the periods stated therein, and subject to Paragraph 6, this Agreement shall terminate upon the happening of any of the following events and (except as provided herein) all of the Company's obligations under this Agreement, including, but not limited to, making payments to the Employee shall cease and terminate:

   a) On the effective date set forth in any resignation submitted by the Employee and accepted by the Company, or if no effective date is agreed upon, the date of receipt of such resignation letter;

   b) One year after written notice of termination is given by the Company to the

Employee;

   c) At the death of the Employee;

   d) At the termination of the Employee for cause. As used in the Agreement, the term "cause" shall mean:

      i) Misappropriating any funds or property of the Company;

      ii) Unreasonable refusal to perform the duties assigned to him under this Agreement;

      iii) Conviction of a felony;

      iv) Continuous conduct bringing notoriety to the Company and having an adverse effect on the name or public image of the Company;

      v) Violation of the Employee's covenants as set forth in Paragraph 4 above; or

      vi) Continued failure by the Employee to observe any of the provisions of this Agreement after being informed of such breach.

   e) Twelve months after written notice of termination (a "Disability Termination Notice") is given by the Company to the Employee based on a determination by the Board of Directors that the Employee is disabled (which, for purposes of this Agreement, shall mean that the Employee is unable to perform his regular duties, with such determination to be made by the Board of Directors, in reliance upon the opinion of the Employee's physician or upon the opinion of one or more physicians selected by the Company). A Disability Termination Notice shall be deemed properly delivered if given by the Company to the Employee on the 184th day of continuous disability of the Employee. Notwithstanding the foregoing, if, during the twelve-month period following proper delivery of a Disability Termination Notice as aforesaid, the Employee is no longer disabled and is able to return to work, such Disability Termination Notice shall be deemed automatically rescinded upon the Employee's return to work, and the employment of the Employee shall continue in accordance with the terms of this Agreement. During the first 184 days of continuous disability of the Employee, the Company will make periodic payments to the Employee in an amount equal to the difference between his base salary and the benefits received by the Employee under the Company's Short-Term Disability Income Plan. During the twelve-month period following proper delivery of a Disability Termination Notice as aforesaid, the Company will make periodic

payments to the Employee in an amount equal to the difference between his base salary and the benefits provided by the Company's Long-Term Disability Plan. If any payments to the Employee under the Company's Long-Term Disability Plan are not subject to federal income taxes, the payments to be made directly by the Company pursuant to the preceding sentence shall be reduced such that the total amount received by the Employee (from the Company and from the Long-Term Disability Plan), after payment of any income taxes, is equal to the amount that the Employee would have received had he been paid his base salary, after payment of any income taxes on such base salary.

f) In the event of the termination of the Employee by the Company pursuant to paragraph 5(b) above, the Employee shall, for a period of one year from the date this agreement shall terminate, (i) continue to receive his Full Salary (as defined below), which shall be payable in accordance with the payment schedule in effect immediately prior to his employment termination, and (ii) continue to be entitled to participate in all employee benefit plans and arrangements of the Company (such as life, health and disability insurance and automobile arrangements) to the same extent (including coverage of dependents, if any) and upon the same terms as were in effect immediately prior to his termination. For purposes of this Agreement, "Full Salary" shall mean the Employee's annual base salary, plus the amount of any bonus or incentive payments received by the Employee with respect to the last full fiscal year of the Company for which all bonus or incentive payments to be made have been made.

g) In the event of a termination of employment pursuant to paragraph 5(a), (c) or (d), the Company shall pay the Employee his full salary through the date of termination of employment.

6. a) In the event of a Change in Control of the Company (as defined below), the provisions of this Agreement shall be amended as follows:

i) Paragraph 1a shall be amended to read in its entirety as follows:

"Except as hereinafter otherwise provided, the Company agrees to continue to employ the Employee in a management position with the Company, and the Employee agrees to remain in the employment in the Company in that capacity, for a period of three (3) years from the date of the Change in Control. Except as provided in Paragraph 3d, the Employee's salary as set forth in Paragraph 3a and his other employee benefits pursuant to the plans described in Paragraph 3c shall not be decreased during such period."

ii) Paragraph 5a shall be amended by the addition of the following provision at the end of such paragraph:

"provided that the Employee agrees not to resign, except for Good Reason (as defined below), during the one-year period following the date of the Change in Control."

iii) Paragraph 5b shall be deleted in its entirety.

iv) Paragraph 5f shall be amended to read in its entirety as follows:

"Notwithstanding the foregoing provisions, if, within 36 months following the occurrence of a Change in Control, the Employee's employment by the Company is terminated (A) by the Company other

than for Cause, which shall not include any failure to perform his dudes hereunder after giving notice or termination for Good Reason, disability or death or (B) by the Employee for Good Reason, (1) the Company shall pay to the Employee, on the date of his employment termination, a lump sum cash payment in an amount equal to the sum of (x) his unpaid base salary through the date of termination, (y) pro rata portion of prior year's bonus and (z) his Full Salary (as defined below) multiplied by three and (2) the Employee shall for 36 months following the occurrence of the Change in Control be eligible to participate in all employee benefit plans and arrangements of the Company (such as life, health and disability insurance and automobile arrangements but excluding incentive arrangements and grants of stock options) to the same extent (including coverage of dependents, if any) and upon the same terms as were in effect immediately prior to his termination. For purposes of this Agreement, "Full Salary" shall mean the Employee's annual base salary, plus the amount of any bonus or incentive payments received by the Employee with respect to the last full fiscal year of the Company for which all bonus or incentive payments to be made have been made. Payments under this Paragraph 5f shall be made without regard to whether the deductibility of such payments (or any other "parachute payments," as that term is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), to or for the benefit of the Employee) would be limited or precluded by Section 280G and without regard to whether such payments (or any other "parachute payments" as so defined in said Section 280G) would subject the Employee to the federal excise tax levied on certain "excess parachute payments" under Section 4999 of the Code (the "Excise Tax"). In addition, the Employee shall be entitled to receive a payment (the "Gross-Up Payment") which shall be an amount equal to the sum of (a) the Excise Tax imposed on any parachute payment, whether or not

payable under this Agreement, and (b) the amount necessary to pay all additional taxes imposed on (or economically borne by) the Employee (including the Excise Tax, state and federal income taxes and all applicable withholding taxes) attributable to the receipt of the Gross-Up Payment, computed assuming the application of the maximum tax rates provided by law. The determination of the Gross-Up Payment shall be made at the Company's expense by Arthur Andersen & Co. or by such other certified public accounting firm as the Board of Directors of the Company may designate prior to a Change in Control of the Company. In the event of any underpayment or overpayment under this Paragraph 5f as determined by Arthur Andersen & Co. (or such other firm as may have been designated in accordance with the preceding sentence), the amount of such underpayment or overpayment shall forthwith be paid to the Employee or refunded to the Company, as the case may be, with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code."

v) Paragraph 8 shall be amended to read in its entirety as follows:

"The Employee may pursue any lawful remedy he deems necessary or appropriate for enforcing his rights under this Agreement following a Change in Control of the Company, and all costs incurred by the Employee in connection therewith (including without limitation attorneys' fees) shall be promptly reimbursed to him by the Company, regardless of the outcome of such endeavor."

b) For purposes of this Agreement, a "Change in Control of the Company" means an event or occurrence set forth in any one or more of clauses (i) through (iv) below (including an event or occurrence that

constitutes a Change in Control under one or such clauses but is specifically exempted from another such clause):

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") of beneficial ownership of any capital stock or the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) 20% or more of either (1) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (2) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this paragraph (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company

(excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for common stock or voting securities of the Company, unless the Person exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company), (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (4) any acquisition by any corporation pursuant to a transaction which complies with subclauses (1) and (2) or clause (iii) of this Section 6b; or

(ii) such time as the Continuing Directors (as defined below) do not constitute a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term "Continuing Director" means at any date a member of the Board (1) who was a member of the Board on the date of the execution of this Agreement or (2) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; provided, however, that there shall be excluded from this clause (2) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(iii) the consummation of a merger, consolidation, reorganization, recapitalization or statutory share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (1) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "Acquiring Corporation") in substantially the same proportions as their ownership, immediately prior to such

Business Combination, of the Outstanding Company Stock and Outstanding Company Voting Securities, respectively; and (2) no Person (excluding the Acquiring Corporation or any employee benefit plan (or related trust) maintained or sponsored by the Company or by the Acquiring Corporation) beneficially owns, directly or indirectly, 20% or more of the then outstanding shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities of such corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or

(iv) approval by the stockholders of the Company or a complete liquidation or dissolution of the Company.

c) For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events: (i) a reduction in the Employee's base salary as in effect on the date hereof or as the same may be increased from time to time, except as provided in Paragraph 3d; (ii) a failure by the Company to pay annual cash bonuses to the Employees in an amount at least equal to the most recent annual cash bonuses paid to the Employee; (iii) a failure by the Company to maintain in effect any material compensation or benefit plan in which the Employee participated immediately prior to the Change in Control, unless an equitable arrangement has been made with respect to such plan, or a failure to continue the Employee's participation therein on a basis not materially less favorable than existed immediately prior to the Change in Control; (iv) any significant and substantial diminution in the Employee's position, duties, authorities, responsibilities or title as in effect immediately prior to the Change in Control; (v) any requirement by the Company that the location at which the Employee performs his principal duties be changed to a new location outside a radius of 25 miles from the Employee's principal place of employment immediately prior to the Change in Control; (vi) any requirement by the Company that the Employee travel on an overnight basis to an extent not substantially consistent with the Employee's business travel obligations immediately prior to the Change in Control or (vii) the failure of the Company to obtain the agreement, in a form reasonably satisfactory to the Employee, from any successor to the Company to assume and agree to perform this Agreement. Notwithstanding the foregoing, the resignation shall not be considered to be for Good Reason if any such circumstances are fully corrected prior to the date of resignation. The Employee's right to terminate his employment for Good Reason shall not be affected by his incapacity due to physical or mental illness.

7. Neither the Employee nor, in the event of his death, his legal representative, beneficiary or estate, shall have the power to transfer, assign, mortgage or otherwise encumber in advance

any of the payments provided for in this Agreement, nor shall any payments nor assets or funds of the Company be subject to seizure for the payment of any debts, judgments, liabilities, bankruptcy or other actions.

8. Any controversy relating to this Agreement and not resolved by the Board of Directors and the Employee shall be settled by arbitration in the City of

Boston, Commonwealth of Massachusetts, pursuant to the rules then obtaining of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction, and the Board of Directors and Employee agree to be bound by the arbitration decision on any such controversy. Unless otherwise agreed by the parties hereto, arbitration will be by three arbitrators selected from the panel of the American Arbitration Association. The full cost of any such arbitration shall be borne by the Company.

9. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times by either party.

10. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered personally to the Employee or to the General Counsel of the Company or when mailed by registered or certified mail to the other party (if to the Company, at 45 William Street, Wellesley, Massachusetts 02481, attention General Counsel; if to the Employee, at the last known address of the Employee as set forth in the records of the Company).

11. This Agreement has been executed and delivered and shall be construed in accordance with the laws of the Commonwealth of Massachusetts. This Agreement is and shall be binding on the respective legal representatives or successors of the parties, but shall not be assignable except to a successor to the Company by virtue of a merger, consolidation or acquisition of all or substantially all of the assets of the Company. This Agreement constitutes and embodies the entire understanding and agreement of the parties and, except as otherwise provided herein, there are no other agreements or understandings, written or oral, in effect between the parties hereto relating to the employment of the Employee by the Company. All previous employment contracts between the Employee and the Company or any of the Company's present or former subsidiaries or affiliates is hereby canceled and of no effect.

12. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to assume expressly in writing and to agree to perform its obligations under this

Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain an assumption of this Agreement prior to the effectiveness of succession shall be a breach of this Agreement. As used in this Agreement, "the Company" shall mean the Company as defined above and any successor to its business or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

IN WITNESS WHEREOF, the Company has caused its seal to be hereunto affixed and these presents to be signed by its proper officers, and the Employee has hereunto set his hand and seal the day and year first above written.

(SEAL) PERKINELMER, INC.

By: /s/ Gregory L. Summe

Gregory L. Summe
Chairman and Chief Executive Officer

Employee: /s/ Angelo D. Castellana

Angelo D. Castellana

Exhibit 10.9

AGREEMENT AND GENERAL RELEASE

EG&G, Inc., 45 William Street, Wellesley, Massachusetts, 02481, its affiliates, subsidiaries, divisions, successors and assigns and the employees, officers, directors and agents thereof (collectively referred to throughout this Agreement as "EG&G"), and Murray Gross ("Gross") agree that:

1. DATE OF CESSATION OF EMPLOYMENT Upon execution of this Agreement, Gross will submit a letter to EG&G resigning as Senior Vice President, General Counsel and Clerk effective May 14, 1999 and terminating his employment and his Employment Agreement dated November 1, 1993 effective July 2, 1999.

2. CONSIDERATION. In consideration for signing this Agreement and General Release and compliance with the promises made herein, EG&G agrees:

a. to pay to Gross one lump sum in the amount of Five Hundred Twenty Thousand dollars ($520,000) less lawful deductions, and appropriate withholdings provided that EG&G has received the letter from Gross in the form attached hereto as Exhibit "A" by May 7, 1999 and provided that Gross did not revoke this Agreement pursuant to paragraph 4, said payment shall be deemed to be salary and a management incentive bonus payment attributable to work performed in 1999;

b. to pay Gross his Target EVA incentive payment at a 50% rate for 1999 less lawful deductions, said payment to be made at the time such EVA payments are made to other officers; provided, however that if EG&G's performance is below the target level, the incentive payment will be reduced in accordance with the provisions of the EVA incentive plan.

c. to allow Gross to receive the Company car then currently assigned to him without charge, all taxes related thereto shall be paid by Gross;

d. to allow Gross to keep the computer and related peripherals currently being used by him;

e. to continue until May 14, 2000 or until Gross becomes eligible for other comparable coverage whichever comes first, Gross' same medical and dental coverage (but not disability coverage which will terminate on May 14, 1999) as was in effect immediately prior to May 14, 1999, the cost of said coverage to be borne by the Company;

f. that, for all purposes hereunder including but not limited to the calculation of payments due under the EG&G, Inc. Supplemental Executive Retirement Plan, Gross shall be deemed to have been an officer of EG&G, Inc. from April 24, 1990 through May 14, 1999; and

g. to pay the Company match in the EG&G Savings Plan for the 1999 Plan year.

3. NO CONSIDERATION ABSENT EXECUTION OF THIS AGREEMENT. GROSS understands and acknowledges that he will not receive and will not be entitled to any of the items "a-g" above until ten (10) business days after the Company received from Gross the letter in the form attached hereto as Exhibit A. Gross also understands and acknowledges that he is responsible for the payment of all federal, state and payroll taxes associated with items "a-g" above.

4. REVOCATION. Gross may revoke this Agreement and General Release for a period of seven (7) days following the day he executes this Agreement and General Release. Any revocation within this period must be submitted, in writing, to Richard Walsh, Senior Vice President, and state, "I hereby revoke my acceptance of our Agreement and General Release." The revocation must be personally delivered to Mr. Walsh or his designee, or mailed to Mr. Walsh at EG&G, 45 William Street, Wellesley, Massachusetts 02481 and postmarked within seven (7) days of execution of this Agreement and General Release. This Agreement and General Release shall not become effective or enforceable until the revocation period has expired. If the last day of the

revocation period is a Saturday, Sunday, or legal holiday in Massachusetts, then the revocation period shall not expire until the next following day which is not a Saturday, Sunday, or legal holiday.

5. GENERAL RELEASE OF CLAIMS. GROSS KNOWINGLY AND VOLUNTARILY RELEASES AND FOREVER DISCHARGES EG&G, OF AND FROM ANY AND AIL CLAIMS, KNOWN AND UNKNOWN, WHICH AGAINST EG&G, GROSS, HIS heirs, executors, administrators, successors, and ASSIGNS (referred to collectively throughout this Agreement as "Gross") have or may HAVE AS OF THE DATE OF EXECUTION OF THIS AGREEMENT AND GENERAL RELEASE, INCLUDING, BUT NOT LIMITED TO, any alleged violation of:

- The National Labor Relations Act, as amended;
- Title VII of the Civil Rights Act of 1964, as amended;
- The Civil Rights Act of 1991
- Sections 1981 through 1988 of Title 42 of the United States Code, as amended;
- the Employee Retirement Income Security Act of 1974, as amended;
- The Immigration Reform Control Act, as amended;
- The Americans with Disabilities Act of 1990, as amended
- The Age Discrimination in Employment Act of 1967, as amended;

- The Fair Labor Standards Act, as amended;
- The Occupational Safety and Health Act, as amended;
- The Family and Medical Leave Act of 1993;
- The Massachusetts Law Against Discrimination, G.L., c. 151B;
- The Massachusetts Civil Rights Act, G.L. c. 12, Sections llH and 11I;
- The Massachusetts Equal Rights Law, G.L. c. 93;
- The Massachusetts Wage and Hour Laws, G.L. c.s 149 and 151;
- The Massachusetts Privacy Statute, G.L. c. 214,Section 1B, as amended;
- any other federal, state or local civil or human rights law or any other local, state or federal law, regulation or ordinance;
- any public policy, contract, tort, or common law; or
- any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters.

6. NO CLAIMS EXIST. Gross confirms that no charge, complaint, or action exists in any forum or form. In the event that any such claim, charge, complaint or action is filed, Gross shall not be entitled to recover any relief or recovery therefrom, including costs and attorney's fees. Gross acknowledges that he understands that if this Agreement were not signed, Gross would have the right to voluntarily assist other individuals or entities in bringing claims against EG&G. Gross hereby waives that right and he will not provide any such assistance other than assistance in an investigation or proceeding conducted by the United States Equal Employment Opportunity Commission. EG&G and Gross further agree that Gross may provide information pursuant to any valid subpoena.

7. Confidentiality. Gross agrees not to disclose or cause to be disclosed any information regarding the existence or substance of this Agreement and General Release, other than to an attorney with whom Gross chooses to consult regarding his consideration of this Agreement and General Release, his immediate family, tax advisors or as required by law. Gross agrees to

instruct all of his representatives, including, without limitation, his attorney, immediate family and tax advisors, if applicable, not to disclose or cause to be disclosed any information regarding the existence or substance of this Agreement and General Release, except as required by law.

8. GOVERNING LAW AND INTERPRETATION. This Agreement and General Release shall be governed and conformed in accordance with the laws of the Commonwealth of Massachusetts without regard to its conflict of laws provision. Should any provision of this Agreement and General Release be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement and General Release in full force and effect. However, if any portion of the general release language were ruled to be unenforceable for any proceeding initiated by Gross, Gross shall return the consideration paid hereunder to EG&G.

9. NONADMISSION OF WRONGDOING. Gross agrees that neither this Agreement and General Release nor the furnishing of the consideration for this Release shall be deemed or construed at anytime for any purpose as an admission by EG&G of any liability or unlawful conduct of any kind.

10. AMENDMENT. This Agreement and General Release may not be modified, altered or changed except upon express written consent of both Parties wherein specific reference is made to this Agreement and General Release.

11. ENTIRE AGREEMENT. This Agreement and General Release sets forth the entire agreement between the parties hereto, and fully supersedes any prior agreements between the parties, except Gross agrees to abide by the agreement contained in paragraph 4(b) of the Employment Agreement between Gross and EG&G made as of November 1, 1993. Gross acknowledges that he has not relied on any representations, promises, or agreements of any kind made to him in connection with his decision to sign this Agreement and General Release, except for those set forth in this Agreement and General Release.

GROSS HAS BEEN ADVISED THAT HE HAS AT LEAST TWENTY-ONE (21) DAYS TO CONSIDER THIS AGREEMENT AND GENERAL RELEASE AND HAS BEEN ADVISED IN WRITING TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTION OF THIS AGREEMENT AND GENERAL RELEASE.

GROSS AGREES THAT ANY MODIFICATIONS, MATERIAL OR OTHERWISE, MADE TO THIS AGREEMENT AND GENERAL RELEASE DO NOT RESTART OR AFFECT IN ANY MANNER THE ORIGINAL TWENTY-ONE DAY CONSIDERATION PERIOD.

HAVING ELECTED TO EXECUTE THIS AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE SUMS AND BENEFITS SET FORTH IN PARAGRAPH "2" ABOVE, GROSS FREELY AN]) KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT AND GENERAL RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS HE HAS OR MIGHT HAVE AGAINST EG&G.

IN WITNESS WHEREOF, the parties hereto knowingly and voluntarily executed this Agreement and General Release as of the date set forth below:

/s/ Murray Gross

Murray Gross

Date: April 30, 1999

EG&G, Inc.

By: /s/ Richard F. Walsh

Richard F. Walsh

Title: Senior Vice President, Human Resources

Date: April 30, 1999

EXHIBIT 10.10

AGREEMENT AND GENERAL RELEASE

EG&G, Inc., 45 William Street, Wellesley, Massachusetts, 02181, its affiliates, subsidiaries, divisions, successors and assigns and the employees, officers, directors and agents thereof (collectively referred to throughout this Agreement as "EG&G"), and Daniel T. Heaney ("Heaney") agree that:

1. DATE OF CESSATION OF EMPLOYMENT. Heaney may at his election submit a letter to EG&G terminating his employment and his Employment Agreement dated June 1, 1995 effective December 31, 1999 or such earlier date after December 31, 1998 as may be determined by Heaney.

2. CONSIDERATION. In consideration for signing this Agreement and General Release and compliance with the promises made herein, EG&G agrees:

a. to pay to Heaney one lump sum in the amount Three Hundred Thirty Four Thousand Dollars ($334,000) less lawful deductions, and appropriate withholdings provided that EG&G has received a letter from Heaney in the form attached hereto as Exhibit "A" at least twenty-one (21) days prior to the receipt of the consideration to be paid by EG&G hereunder and provided that Heaney did not revoke this Agreement pursuant to paragraph 4, said payment shall be deemed to be salary and a management incentive bonus payment attributable to work performed in the calendar year paid;

b. to pay Heaney his full EVA incentive payment for 1998 less lawful deductions said payment to be made at the time such EVA payments are made to other officers;

c. to allow Heaney to keep the laptop computer currently being used by him;

d. to pay a lump sum of $10,000 to be used for out placement services, training, job search related costs or relocation, said payment will be subject to appropriate tax withholdings;

e. to continue until December 31, 1999 or until Heaney becomes eligible for other comparable coverage whichever comes first, Heaney' same medical and dental coverage as was in effect immediately prior to December 31, 1998, the cost of said coverage to be borne by the Company;

f. to pay the Company match in the EG&G Savings Plan for the 1998 Plan

g. all Employee Stock Options granted by EG&G to Heaney shall be deemed to have been vested as of December 31, 1998. Said options shall be exercisable until the earlier of the expiration dates specified in such options or two years following the date of resignation specified in the letter of resignation.

3. NO CONSIDERATION ABSENT EXECUTION OF THIS AGREEMENT. Heaney understands and acknowledges that he will not receive and will not be entitled to any of the items "a-f" above until ten (10) business days after the Company received from Heaney the letter in the form attached hereto as Exhibit A. Heaney also understands and acknowledges that he is responsible for the payment of all federal, state and payroll taxes associated with items "a-f" above.

4. REVOCATION. Heaney may revoke this Agreement and General Release for a period of seven (7) days following the day he executes this Agreement and General Release. Any revocation within this period must be submitted, in writing, to Murray Gross, Senior Vice President and General Counsel, and state, "I hereby revoke my acceptance of our Agreement and General Release." The revocation must be personally delivered to Mr. Gross or his designee, or mailed to Mr. Gross at EG&G, 45 William Street, Wellesley, Massachusetts 02181 and postmarked within seven (7) days of execution of this Agreement and General Release. This Agreement and General Release shall not become effective or enforceable until the revocation period has expired. If the last day of the revocation period is a Saturday, Sunday, or legal holiday in Massachusetts, then the revocation period shall not expire until the next following day which is not a Saturday, Sunday, or legal holiday.

5. GENERAL RELEASE OF CLAIMS. Heaney knowingly and voluntarily releases and forever discharges EG&G, of and from any and all claims, known and unknown, which against EG&G, Heaney, his heirs, executors, administrators, successors, and assigns (referred to collectively throughout this Agreement as "Heaney") have or may have as to the date of execution of this Agreement and General Release, including, but not limited to, any alleged violation of:

- The National Labor Relations Act, as amended;
- Title VII of the Civil Rights Act of 1964, as amended;
- The Civil Rights Act of 1991
- Sections 1981 through 1988 of Title 42 of the United States Code, as amended;

- the Employee Retirement Income Security Act of 1974, as amended;
- The Immigration Reform Control Act, as amended;
- The Americans with Disabilities Act of 1990, as amended;
- The Age Discrimination in Employment Act of 1967, as amended;
- The Fair Labor Standards Act, as amended;
- The Occupational Safety and Health Act, as amended;
- The Family and Medical Leave Act of 1993;
- The Massachusetts Law Against Discrimination, G.L., c. iSiB;
- The Massachusetts Civil Rights Act, G.L. c. 12, Sections 11H and 111;
- The Massachusetts Equal Rights Law, G.L. c. 93;
- The Massachusetts Wage and Hour Laws, G.L. c.s 149 and 151;
- The Massachusetts Privacy Statute, G.L. c. 214, Section 1B, as amended;
- any other federal, state or local civil or human rights law or any other local, state or federal law, regulation or ordinance;
- any public policy, contract, tort, or common law; or
- any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters.

6. NO CLAIMS EXIST. Heaney confirms that no charge, complaint, or action exists in any forum or form. In the event that any such claim, charge, complaint or action is filed, Heaney shall not be entitled to recover any relief or recovery therefrom, including costs and attorney's fees. Heaney acknowledges that he understands that if this Agreement were not signed, Heaney would have the right to voluntarily assist other individuals or entities in bringing claims against EG&G. Heaney hereby waives that right and he will not provide any such assistance other than assistance in an investigation or proceeding conducted by the United States Equal Employment Opportunity Commission. EG&G and Heaney further agree that Heaney may provide information

pursuant to any valid subpoena.

7. CONFIDENTIALITY. Heaney agrees not to disclose or cause to be

disclosed any information regarding the existence or substance of this Agreement and General Release, other than to an attorney with whom Heaney chooses to consult regarding his consideration of this Agreement and General Release, his immediate family, tax advisors or as required by law. Heaney agrees to instruct all of his representatives, including, without limitation, his attorney, immediate family and tax advisors, if applicable, not to disclose or cause to be disclosed any information regarding the existence or substance of this Agreement and General Release, except as required by law.

8. GOVERNING LAW AND INTERPRETATION. This Agreement and General Release shall be governed and conformed in accordance with the laws of the Commonwealth of Massachusetts without regard to its conflict of laws provision. Should any provision of this Agreement and General Release be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement and General Release in full force and effect. However, if any portion of the general release language were ruled to be unenforceable for any proceeding initiated by Heaney, Heaney shall return the consideration paid hereunder to EG&G.

9. NONADMISSION OF WRONGDOING. Heaney agrees that neither this Agreement and General Release nor the furnishing of the consideration for this Release shall be deemed or construed at anytime for any purpose as an admission by EG&G of any liability or unlawful conduct of any kind.

10. AMENDMENT. This Agreement and General Release may not be modified, altered or changed except upon express written consent of both Parties wherein specific reference is made to this Agreement and General Release.

11. ENTIRE AGREEMENT. This Agreement and General Release sets forth the entire agreement between the parties hereto, and fully supersedes any prior agreements between the parties, except .Heaney agrees to abide by the agreement contained in paragraph 4(b) of the Employment Agreement between Heaney and EG&G made as of November 1, 1993. Heaney acknowledges that he has not relied on any representations, promises, or agreements of any kind made to him in connection with his decision to sign this Agreement and General Release, except for those set forth in this Agreement and General Release.

HEANEY HAS BEEN ADVISED THAT HE HAS AT LEAST TWENTY-ONE (21) DAYS TO CONSIDER THIS AGREEMENT AND GENERAL RELEASE AND HAS BEEN ADVISED IN WRITING TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTION OF THIS AGREEMENT AND GENERAL RELEASE.

HEANEY AGREES THAT ANY MODIFICATIONS, MATERIAL OR OTHERWISE, MADE TO THIS AGREEMENT AND GENERAL RELEASE DO NOT RESTART OR AFFECT IN ANY MANNER TILE ORIGINAL TWENTY-ONE DAY CONSIDERATION PERIOD.

HAVING ELECTED TO EXECUTE THIS AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE SUMS AND BENEFITS SET FORTH IN PARAGRAPH "2" ABOVE, HEANEY FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT AND GENERAL RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS HE HAS OR MIGHT HAVE AGAINST EG&G.

IN WITNESS WHEREOF, the parties hereto knowingly and voluntarily executed this Agreement and General Release as of the date set forth below:

/s/ Daniel T. Heaney

Daniel T. Heaney

Date: 11/3/98

EG&G, Inc.

By: /s/ John M. Kucharski

John M. Kucharski

Date: 11/3/98

Exhibit 10.11

AGREEMENT AND GENERAL RELEASE

EG&G, Inc., 45 William Street, Wellesley, Massachusetts, 02181, its affiliates, subsidiaries, divisions, successors and assigns and the employees, officers, directors and agents thereof (collectively referred to throughout this Agreement as "EG&G"), and Deborah S. Lorenz ("Lorenz") agree that:

1. DATE OF CESSATION OF EMPLOYMENT Upon execution of this Agreement, Lorenz will submit a letter to EG&G terminating her employment and her Employment Agreement dated November 1, 1993 effective December 31, 1999 or such earlier date after December 31, 1998 as may be determined by Lorenz.

2. CONSIDERATION. In consideration for signing this Agreement and General Release and compliance with the promises made herein, EG&G agrees:

a. to pay to Lorenz one lump sum in the amount of Four Hundred Ten Thousand Twenty dollars ($410,020) less lawful deductions, and appropriate withholdings provided that EG&G has received the letter from Lorenz in the form attached hereto as Exhibit "A" by November 30, 1998 and provided that Lorenz did not revoke this Agreement pursuant to paragraph 4, said payment shall be deemed to be salary and a management incentive bonus payment attributable to work performed in 1998;

b. to pay Lorenz her full EVA incentive payment for 1998 less lawful deductions said payment to be made at the time such EVA payments are made to other officers;

c. to allow Lorenz to receive the Company car then currently assigned to her without charge, all taxes related thereto shall be paid by Lorenz;

d. to allow Lorenz to keep the laptop computer currently being used by her;

e. to pay a lump sum of $10,000 to be used for out placement services, training, job search related costs or relocation, said payment will be subject to appropriate tax withholdings;

f. to continue until December 31, 1999 or until Lorenz becomes eligible for other comparable coverage whichever comes first, Lorenz' same medical and dental coverage as was in effect immediately prior to December 31, 1998, the cost of said coverage to be borne by the Company; and

g. to pay the Company match in the EG&G Savings Plan for the

h. all Employee Stock Options granted by EG&G to Lorenz shall be deemed to have been vested as of December 31, 1998. Said options shall be exercisable until the earlier of the expiration dates specified in such options or March 31, 2000.

3. NO CONSIDERATION ABSENT EXECUTION OF THIS AGREEMENT. Lorenz understands and acknowledges that she will not receive and will not be entitled to any of the items "a-h" above until ten (10) business days after the Company received from Lorenz the letter in the form attached hereto as Exhibit A. Lorenz also understands and acknowledges that she is responsible for the payment of all federal, state and payroll taxes associated with items "a-h" above.

4. REVOCATION. Lorenz may revoke this Agreement and General Release for a period of seven (7) days following the day she executes this Agreement and General Release. Any revocation within this period must be submitted, in writing, to Murray Gross, Senior Vice President and General Counsel, and state, "I hereby revoke my acceptance of our Agreement and General Release. The revocation must be personally delivered to Mr. Gross or her designee, or mailed to Mr. Gross at EG&G, 45 William Street, Wellesley, Massachusetts 02181 and postmarked within seven (7) days of execution of this Agreement and General Release. This Agreement and General Release shall not

become effective or enforceable until the revocation period has expired. If the last day of the revocation period is a Saturday, Sunday, or legal holiday in Massachusetts, then the revocation period shall not expire until the next following day which is not a Saturday, Sunday, or legal holiday.

5. GENERAL RELEASE OF CLAIMS. LORENZ KNOWINGLY AND VOLUNTARILY RELEASES AND FOREVER DISCHARGES EG&G, OF AND FROM ANY AND ALL CLAIMS, KNOWN AND unknown, which against EG&G, Lorenz, her heirs, executors, administrators, successors, and assigns (referred to collectively throughout this Agreement as "Lorenz") have or may have as OF THE date OF EXECUTION OF THIS AGREEMENT AND GENERAL RELEASE, including, but not limited to, any alleged violation of:

- The National Labor Relations Act, as amended;
- Title VII of the Civil Rights Act of 1964, as amended;
- The Civil Rights Act of 1991
- Sections 1981 through 1988 of Title 42 of the United States Code, as amended;
- the Employee Retirement Income Security Act of 1974, as amended;
- The Immigration Reform Control Act, as amended;

- The Americans with Disabilities Act of 1990, as amended;
- The Age Discrimination in Employment Act of 1967, as amended;
- The Fair Labor Standards Act, as amended;
- The Occupational Safety and Health Act, as amended;
- The Family and Medical Leave Act of 1993;
- The Massachusetts Law Against Discrimination, G.L., c. ISlE;
- The Massachusetts Civil Rights Act, G.L. c. 12, Sections 11H and 111;
- The Massachusetts Equal Rights Law, G.L. c. 93;
- The Massachusetts Wage and Hour Laws, G.L. c.s 149 and 151;
- The Massachusetts Privacy Statute, G.L. c. 214, Section 1B, as amended;
- any other federal, state or local civil or human rights law or any other local, state or federal law, regulation or ordinance;
- any public policy, contract, tort, or common law; or
- any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters.

6. NO CLAIMS EXIST. Lorenz confirms that no charge, complaint, or action exists in any forum or form. In the event that any such claim, charge, complaint or action is filed, Lorenz shall not be entitled to recover any relief or recovery therefrom, including costs and attorney's fees. Lorenz acknowledges that she understands that if this Agreement were not signed, Lorenz would have the right to voluntarily assist other individuals or entities in bringing claims against EG&G. Lorenz hereby waives that right and she will not provide any such assistance other than assistance in an investigation or proceeding conducted by the United States Equal Employment Opportunity Commission. EG&G and Lorenz further agree that Lorenz may provide information pursuant to any valid subpoena.

7. CONFIDENTIALITY. Lorenz agrees not to disclose or cause to be disclosed any information regarding the existence or substance of this

Agreement and General Release, other than to an attorney with whom Lorenz chooses to consult regarding her consideration of this Agreement and General Release, her immediate family, tax advisors or as required by law.

Lorenz agrees to instruct all of her representatives, including, without limitation, her attorney, immediate family and tax advisors, if applicable, not to disclose or cause to be disclosed any information regarding the existence or substance of this Agreement and General Release, except as required by law.

8. GOVERNING LAW AND INTERPRETATION. This Agreement and General Release shall be governed and conformed in accordance with the laws of the Commonwealth of Massachusetts without regard to its conflict of laws provision. Should any provision of this Agreement and General Release be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement and General Release in full force and effect. However, if any portion of the general release language were ruled to be unenforceable for any proceeding initiated by Lorenz, Lorenz shall return the consideration paid hereunder to EG&G.

9. NONADMISSION OF WRONGDOING. Lorenz agrees that neither this Agreement and General Release nor the furnishing of the consideration for this Release shall be deemed or construed at anytime for any purpose as an admission by EG&G of any liability or unlawful conduct of any kind.

10. AMENDMENT. This Agreement and General Release may not be modified, altered or changed except upon express written consent of both Parties wherein specific reference is made to this Agreement and General Release.

11. ENTIRE AGREEMENT. This Agreement and General Release sets forth the entire agreement between the parties hereto, and fully supersedes any prior agreements between the parties, except Lorenz agrees to abide by the agreement contained in paragraph 4(b) of the Employment Agreement between Lorenz and EG&G made as of November 1, 1993. Lorenz acknowledges that she has not relied on any representations, promises, or agreements of any kind made to her in connection with her decision to sign this Agreement and General Release, except for those set forth in this Agreement and General Release.

LORENZ HAS BEEN ADVISED THAT SHE HAS AT LEAST TWENTY-ONE (21) DAYS TO CONSIDER THIS AGREEMENT AND GENERAL RELEASE AND HAS BEEN ADVISED IN WRITING TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTION OF THIS AGREEMENT AND GENERAL RELEASE.

LORENZ AGREES THAT ANY MODIFICATIONS, MATERIAL OR OTHERWISE, MADE TO THIS AGREEMENT AND GENERAL RELEASE DO NOT RESTART OR AFFECT IN ANY MANNER THE ORIGINAL TWENTY-ONE DAY CONSIDERATION PERIOD.

HAVING ELECTED TO EXECUTE THIS AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE SUMS AND BENEFITS SET FORTH IN PARAGRAPH "2" ABOVE, LORENZ FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT AND GENERAL RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS SHE HAS OR MIGHT HAVE AGAINST EG&G.

IN WITNESS WHEREOF, the parties hereto knowingly and voluntarily executed this Agreement and General Release as of the date set forth below:

/s/ Deborah S. Lorenz

Deborah S. Lorenz

Date: June 6, 1998

EG&G, Inc.

By: /s/ John M. Kucharski

John M. Kucharski

Date: June 4, 1998

EXHIBIT 21

Subsidiaries of the Registrant

As of March 2, 2000, the following is a list of the parent (Registrant) and its active subsidiaries, together with their subsidiaries. Except as noted, all voting securities of the listed subsidiaries are 100% beneficially owned by the Registrant or a subsidiary thereof. The subsidiaries are arranged alphabetically by state and then country of incorporation or organization.

Name of Company	State or Country of Incorporation or Organization	Name of Parent
1. PerkinElmer, Inc.	Massachusetts	N/A
2. PerkinElmer Instruments, Inc.	California	PKI
3. PerkinElmer Instruments, Inc.	Delaware	Holdings
4. EG&G Japan, Inc.	Delaware	Holdings
5. PerkinElmer Optoelectronics, Inc.	Delaware	PKI Opto SC
6. Lumen Technologies, Inc.	Delaware	PKI
7. PerkinElmer Optoelectronics NC, Inc.	Delaware	Lumen
8. PerkinElmer Optoelectronics SC, Inc.	Delaware	Lumen
9. PerkinElmer Instruments LLC	Delaware	PKI
10. Genomic Solutions Inc.	Delaware	PKI (8%)
11. Vivid Technologies, Inc.	Delaware	PKI
12. PerkinElmer Wallac Inc.	Maryland	PKI
13. EG&G Ventures, Inc.	Massachusetts	PKI
14. PerkinElmer Holdings, Inc.	Massachusetts	PKI (94%)[1]
15. PerkinElmer Automotive Research, Inc.	Texas	Holdings
16. Perkin-Elmer Argentina S.R.L	Argentina	Holdings
17. EG&G Vertriebs GmbH	Austria	BV
18. EG&G Perkin Elmer Pty Limited	Australia	Holdings
19. PerkinElmer Belgium NV/SA	Belgium	PKI (96.8%)[2]
20. PerkinElmer do Brasil Ltda.	Brazil	CV (94.6%)[3]
21. PerkinElmer Canada Investments Inc.	Canada	CV
22. PerkinElmer Canada Inc.	Canada	PKI
23. Bragg Photonics, Inc.	Canada	PKI Canada Inc. (13%)
24. PerkinElmer Instruments International Ltd.	Cayman Islands	CV
25. PerkinElmer Philippines, Ltd.	Cayman Islands	CV
26. Perkin Elmer Chile Limitada	Chile	Holdings[4]
27. PerkinElmer Shenzhen Industrial Ltd.	China	PKI Opto (Germany)
28. Shanghai EG&G Reticon Optoelectronics Co. Ltd.	China	PKI (50%)
29. Perkin Elmer de Centro America S.A.	Costa Rica	Holdings
30. Perkin-Elmer S.R.O.	Czech Republic	BV
31. PerkinElmer A/S	Denmark	Wallac Oy
32. PerkinElmer Egypt	Egypt	CV
33. PerkinElmer Oy	Finland	BV
34. Wallac Oy	Finland	PKI Oy (Finland)
35. PerkinElmer S.A.S.	France	PKI Europe BV (Netherlands)
36. Berthold France S.A.	France	PKI SAS (France)
37. Societe Civile Immobiliere	France	PKI SAS (80%)[5]
38. PerkinElmer Instruments GmbH	Germany	Holdings
39. PerkinElmer Holding GmbH	Germany	PKI
40. Wallac Distribution GmbH	Germany	PKI Instruments GmbH
41. PerkinElmer Instruments International Ltd. & Co. KG	Germany	CV (100%)[6]
42. Berthold GmbH & Co. KG	Germany	PKI Instruments GmbH (58%)[7],

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1 PerkinElmer Instruments, Inc., Delaware corporation, owns the remaining 6%.
2 PerkinElmer Instruments LLC owns the remaining 3.2%.
3 PerkinElmer Holdings, Inc. (5%), PerkinElmer Wallac Inc., Maryland corporation, owns a de minimus share.
4 PerkinElmer Instruments LLC owns a de minimus share.
5 Berthold France S.A. owns the remaining 20%.
6 PerkinElmer Instruments International, Cayman Islands corporation owns a de minimus share.
7 PerkinElmer Holding GmbH owns 2.3%, PerkinElmer Automotive Research, Inc. owns 39.7%.

Name of Company	State or Country of Incorporation or Organization	Name of Parent
43. PerkinElmer Optoelectronics GmbH	Germany	Berthold GmbH & Co
44. PerkinElmer Limited	Hong Kong	CV (99%)[8]
45. Perkin-Elmer Hungaria Kft	Hungary	BV
46. PT Perkinelmer Batam	Indonesia	Holdings
47. EG&G Srl	Italy	BV
48. Perkin Elmer Italia SpA	Italy	EG&G Srl, Italy
49. NOK EG&G Optoelectronics Corporation	Japan	PKI (49%)

50.	Seiko EG&G Co. Ltd.	Japan	PKI (49%)
51.	WALLAC Berthold Japan Co., Ltd.	Japan	Wallac Oy (80%)
52.	Perkin-Elmer Japan Co., Ltd.	Japan	Holdings
53.	Perkin Elmer Yuhan Hoesa	Korea	BV
54.	Perkin Elmer Sdn. Bhd.	Malaysia	CV
55.	Perkin Elmer de Mexico, S.A.	Mexico	Holdings9
56.	PerkinElmer Europe B.V.	Netherlands	BV
57.	Wellesley B.V.	Netherlands	CV
58.	PerkinElmer International, C.V.	Netherlands	Holdings (99%)10
59.	PerkinElmer Norge AS	Norway	Wallac Oy
60.	EG&G Omni, Inc.	Philippines	Holdings
61.	Perkin-Elmer Instruments (Philippines) Corporation	Philippines	Holdings
62.	Perkin Elmer Polska Sp zo.o.	Poland	BV
63.	Wellesley Portugal - Instumentos Cientificos, LDA	Portugal	BV (100%)11
64.	PerkinElmer Rus	Russia	PKI Oy
65.	PerkinElmer Singapore Pte Ltd.	Singapore	CV
66.	EG&G Perkin-Elmer South Africa (Proprietary) Limited	South Africa	CV
67.	PerkinElmer Espana, S.L.	Spain	BV
68.	PerkinElmer Sverige AB	Sweden	Wallac Oy
69.	PerkinElmer (Schweiz) AG	Switzerland	BV
70.	Wallac Distribution AG	Switzerland	Wallac Distribution GmbH (90%)
71.	EG&G Perkin-Elmer Corporation	Taiwan	CV
72.	Perkin Elmer Limited	Thailand	CV
73.	Life Science Resources Limited	United Kingdom	Holdings
74.	PerkinElmer UK Holdings Ltd.	United Kingdom	BV
75.	PerkinElmer Ltd.	United Kingdom	PKI UK Holdings Ltd
76.	PerkinElmer Services Ltd.	United Kingdom	PKI UK Holdings Ltd
77.	Q-Arc Ltd.	United Kingdom	PKI UK Holdings Ltd.
78.	PerkinElmer (UK) Ltd.	United Kingdom	PKI UK Holdings Ltd.
79.	Vivid Technologies UK Ltd.	United Kingdom	Vivid Technologies, Inc.
80.	EG&G Exporters Ltd.	U.S. Virgin Islands	Holdings
81.	ILC Light Source Foreign Sales Corporation	U.S. Virgin Islands	PKI Opto NC
82.	Optical Radiation Foreign Sales Corporation	U.S. Virgin Islands	PKI Opto SC

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8 Wellesley BV owns a de minimus share.

9 PKI owns a de minimus share.

10 PKI owns the remaining 1%.

11 PerkinElmer International CV owns a de minimus share.

BV=Wellesley BV, CV=PerkinElmer International CV, Holdings=PerkinElmer Holdings, Inc., Lumen=Lumen Technologies, Inc., PKI=PerkinElmer, Inc., PKI Opto SC= PerkinElmer Optoelectronics SC, Inc., PKI Opto NC=PerkinElmer Optoelectronics NC, Inc.

<ARTICLE> 5
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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AS OF JANUARY 2, 2000 AND THE CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED JANUARY 2, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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