

THERMO FISHER SCIENTIFIC INC.  
Form 10-K  
March 01, 2007

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

**FORM 10-K**

(mark one)

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2006 or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 1-8002

(Exact name of Registrant as specified in its charter)

Delaware  
(State of incorporation or organization)

04-2209186  
(I.R.S. Employer Identification No.)

81 Wyman Street, P.O. Box 9046  
Waltham, Massachusetts  
(Address of principal executive offices)

02454-9046  
(Zip Code)

Registrant's telephone number, including area code: (781) 622-1000

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

| Title of each class             | Name of each exchange on which registered |
|---------------------------------|---|
| Common Stock, \$1.00 par value  | New York Stock Exchange                   |
| Preferred Stock Purchase Rights | New York Stock Exchange                   |

Securities registered pursuant to Section 12(g) of the Act: None

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

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

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, and (2) has been subject to the filing requirements for at least the past 90 days. Yes ☒ No ☐

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

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).  
Yes ☒ No ☐

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

As of June 30, 2006, the aggregate market value of the voting stock held by nonaffiliates of the Registrant was approximately \$5,699,169,000 (based on the last reported sale of common stock on the New York Stock Exchange Composite Tape reporting system on June 30, 2006).

As of February 2, 2007, the Registrant had 420,030,996 shares of Common Stock outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Sections of Thermo Fisher's definitive Proxy Statement for the 2007 Annual Meeting of Shareholders are incorporated by reference into Parts II and III of this report.

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**THERMO FISHER SCIENTIFIC**

**ANNUAL REPORT ON FORM 10-K  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

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**PART I**

**Item 1.**

**Business**

**General Development of Business**

Thermo Fisher Scientific Inc. (also referred to in this document as “Thermo Fisher,” “we,” the “company,” or the “registrant”) is the world leader in serving science. We enable our customers to make the world healthier, cleaner and safer by providing analytical instruments, equipment, reagents and consumables, software and services for research, manufacturing, analysis, discovery and diagnostics.

In November 2006, Thermo Electron Corporation (also referred to in this document as “Thermo,” which is the predecessor to Thermo Fisher) merged with Fisher Scientific International Inc. (also referred to in this document as “Fisher”) to create the world leader in serving science. Thermo Fisher has 30,500 employees and serves more than 350,000 customers within pharmaceutical and biotech companies, hospitals and clinical diagnostic labs, universities, research institutions and government agencies, as well as environmental, industrial quality and process control settings.

We deliver a broad selection of analytical instruments, equipment, consumables and laboratory supplies. Our growing portfolio of products includes innovative technologies for mass spectrometry, elemental analysis, molecular spectroscopy, sample preparation, informatics, fine and high-purity chemistry production, cell culture, RNA interference analysis and immunodiagnostic testing, as well as air and water quality monitoring and process control. We also give our customers convenient purchasing options, through our 7,500 sales and service professionals, numerous catalogs and e-commerce capabilities.

We are continuously advancing the capabilities of our technologies, software and services, as well as our supply-chain management expertise. Our goal is to make our customers more productive and to enable them to solve their analytical challenges, from routine testing to complex research and discovery.

In the late 1980s, Thermo adopted a strategy of spinning out certain businesses into separate public subsidiaries in which we kept a majority ownership. By 1997, we had spun out 22 public entities serving many diverse markets. To simplify our structure, we announced in January 2000 a major reorganization that ultimately resulted in taking private all of our public subsidiaries, selling non-core businesses and spinning off our paper recycling and medical products businesses. As part of the reorganization, we divested of businesses with aggregate annual revenues of over \$2 billion. This reorganization was substantially completed in February 2002, when we took private our last publicly traded subsidiary. In July 2004, we sold Spectra-Physics, Inc., our optical technologies segment. The businesses spun off and sold have been accounted for as discontinued operations. Except where indicated, the information presented in this report pertains to our continuing operations.

Thermo Fisher is a Delaware corporation and was incorporated in 1956. The company completed its initial public offering in 1967 and was listed on the New York Stock Exchange in 1980.

**Forward-looking Statements**

Forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934 (the Exchange Act), are made throughout this Annual Report on Form 10-K. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “believes,” “anticipates,” “plans,” “expects,” “seeks,” “estimates,” and similar expressions are intended to identify forward-looking statements. While the company may elect to update forward-looking statements in the future, it specifically disclaims any obligation to do so, even if the company’s estimates change, and readers should not rely on

those forward-looking statements as representing the company's views as of any date subsequent to the date of the filing of this report.

A number of important factors could cause the results of the company to differ materially from those indicated by such forward-looking statements, including those detailed under the heading, "Risk Factors" in Part I, Item 1A.

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### **Business Segments and Products**

We report our business in two segments: Analytical Technologies and Laboratory Products and Services. For financial information about segments, including domestic and international operations and export sales, see Note 3 to our Consolidated Financial Statements, which begin on page F-1 of this report.

#### *Analytical Technologies Segment*

We serve the pharmaceutical, biotechnology, academic, government and other research and industrial markets, as well as the clinical laboratory and healthcare industries, through our Analytical Technologies segment. This segment has six principal product groupings - Scientific Instruments, Biosciences, Integrative Technologies, Diagnostics, Environmental Instruments and Process Instruments - and provides a broad range of instruments, bioscience reagents, software and services to address various scientific challenges in laboratories, in manufacturing and out in the field.

- Our Scientific Instruments include analytical instrumentation that analyzes prepared samples.
- Our Biosciences products include a wide range of consumables and services across general chemistry and life sciences applications.
- Our Integrative Technologies offerings include software interpretation tools and development support for the data generated by the instruments as well as laboratory automation equipment and systems.
- Our Diagnostics products and services are used by healthcare and other laboratories to prepare and analyze patient samples to detect and diagnose diseases.
- Our Environmental Instruments include solutions and services for environmental monitoring, safety and security.
- Our Process Instruments provide measurement solutions and services outside the laboratory to enable process control and optimization.

#### Scientific Instruments

Our analytical instrumentation is used primarily in laboratory and industrial settings and incorporates a range of techniques, including mass spectrometry (MS), chromatography and optical spectroscopy, and can be combined with a range of accessories, consumables, software, spectral reference databases, services and support to provide a complete solution to the customer. Mass spectrometry is a technique for analyzing chemical compounds, individually or in complex mixtures, by forming gas phase charged ions that are then analyzed according to mass-to-charge ratios. In addition to molecular information, each discrete chemical compound generates a fragmentation pattern that provides structurally diagnostic information. Chromatography is a technique for separating, identifying and quantifying individual chemical components of substances based on physical and chemical characteristics specific to each component. Optical spectroscopy is a technique for analyzing individual chemical components of substances based on the absorption or emission of electromagnetic radiation of a specific wavelength of light, for example, visible (light), ultraviolet or infra-red.

In life sciences markets, we offer a line of mass spectrometers (MS) including ion traps, quadrupoles and other advanced mass spectrometers, as well as liquid chromatographs (LCs) and columns, and multi-instrument combinations of these products as integrated solutions (LC-MS). These systems are tailored to meet the rigorous demands of lab professionals in applications such as drug discovery, life science research and analytical quantitation.

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*Ion Trap MS.* The company's ion trap mass spectrometry product line features a tiered portfolio to support a wide spectrum of analytical requirements. These instruments support applications ranging from compound identification and routine high performance liquid chromatography (HPLC) detection to sophisticated analysis of low-abundance components in complex biological matrices.

- LTQ FT<sup>TM</sup> - Combines our most advanced ion trap and Fourier Transform (FT) Ion Cyclotron Resonance (ICR) technologies into a single instrument with superior analytical power and versatility. The system uniquely combines high resolution, accurate mass determinations and MS<sub>n</sub> (mass spectrometry to the *n*th power) for high-throughput analysis on a single instrument.
- LTQ Orbitrap<sup>TM</sup> - Combines our most advanced ion trap with our patented Orbitrap technology, providing high resolution and accurate mass determinations over a broad dynamic range for the analysis of complex biological mixtures.
- LTQ XL<sup>TM</sup> - Based on a 2-dimensional (2-D) linear ion trap design and incorporating patented innovative technologies and ease-of-use features, this system is primarily used for metabolic profiling and proteomics research.
- LXQ<sup>TM</sup> - Based on a 2-D linear ion trap design, this system provides high-throughput performance for drug discovery, forensics and proteomics applications.
- LCQ Deca XP MAX<sup>TM</sup> - Used primarily for rapid metabolite identification, peptide mapping and complex mixture analysis. It features the Ion Max<sup>TM</sup>, front-end ion source, which provides ruggedness and full scan sensitivity, making it a valuable tool for analysis of *in-vivo* and *in-vitro* samples.
- LCQ Advantage MAX<sup>TM</sup> - An ion trap mass spectrometer that integrates the power of MS/MS with an LC system, boosting analytical power with library searchable MS/MS spectra for reliable compound identification. This instrument delivers high productivity for routine HPLC environments.

*Triple Quadrupole MS.* The company's TSQ Quantum Series consists of an advanced portfolio of triple quadrupole mass spectrometers.

- TSQ Quantum Access<sup>TM</sup> - A versatile, entry-level mass spectrometer that is used in environmental and food safety laboratories.
- TSQ Quantum Discovery MAX<sup>TM</sup> - This high-performance, ultra-compact benchtop MS system incorporates innovative technology for increased sensitivity, precision, ruggedness and reliability. It is principally designed for high-productivity environments such as environmental, clinical and drug discovery laboratories. With the Ion Max source, the TSQ Quantum Discovery MAX addresses the needs of these laboratories for more rugged and dependable LC/MS/MS to enable around-the-clock productivity.
- TSQ Quantum Ultra<sup>TM</sup> - An advanced instrument used primarily for bioanalytical studies. It features the Ion Max source with interchangeable electrospray ionization (ESI) and atmospheric pressure chemical ionization (APCI) probes for increased robustness and sensitivity.

In December 2006, we expanded our sample preparation capabilities for mass spectrometry with the acquisition of Cohesive Technologies, a manufacturer of advanced sample extraction and liquid chromatography products, which are used with triple quadrupole mass spectrometers in bioanalysis and drug discovery.

<sup>TM</sup> Represents a trademark or service mark of Thermo Fisher Scientific Inc. or its subsidiaries.

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A significant and growing application for our technologically advanced mass spectrometers is proteomics, the study of proteins. Most drugs - about 90 percent - interact with proteins, so multi-instrument systems that can rapidly identify and quantify proteins are of increasing value to pharmaceutical and biotechnology customers. The introduction of ETD (Electron Transfer Dissociation) on our LTQ XL ion trap machine extends the range of techniques for proteomics researchers and enables routine analysis of protein modifications. We continue to introduce new systems that address the breadth of primary analytical needs for high-throughput analysis including bioanalysis and proteomics research, as well as for other growing life science areas such as:

- Biomarkers - compounds that may be endogenous and signal the early onset of a specific disease.
- ADME/Tox - Absorption, Distribution, Metabolism, Excretion and Toxicology studies that are conducted for drug discovery in support of human clinical trials.
- Metabolomics - measurement of the real biochemical status, dynamics, interactions and regulation of whole systems or organisms at a molecular level.

In addition, Thermo Fisher offers a broad range of advanced magnetic sector instrumentation for high-resolution MS. This range also covers organic MS, gas isotope ratio MS and thermal ionization MS.

*Liquid Chromatography.* Our HPLC systems, such as the high speed Accela HPLC, Surveyor Plus™ and SpectraSYSTEM™, offer high throughput and sensitivity. They are sold as stand-alone instrumentation (HPLC) or as integrated systems with our mass spectrometers (LC-MS). The Surveyor MSQ™ Plus is a single quadrupole LC-MS system used primarily in pharmaceutical laboratories as a detector, providing chromatographers the ability to run routine HPLC applications more efficiently. These products utilize our comprehensive line of HPLC columns, including HYPERSIL™ Gold, HyPurity™ and Aquasil columns.

In January 2007, we acquired Spectronex, a European-based supplier of mass spectrometry, chromatography and surface science instrumentation, as well as Flux Instruments, a manufacturer of high performance liquid chromatography pumps and software.

Beyond life sciences markets, our chemical analysis instrumentation, including our gas chromatography, elemental analysis and molecular spectroscopy instrumentation, uses various separation and optical spectroscopy techniques to determine the elemental and molecular composition of a wide range of complex liquids and solids.

*Gas Chromatography.* Gas chromatography is a separation technique used to analyze complex samples in the form of gases. Thermo Fisher's high performance and reliable line of gas chromatographs (GCs) includes our Trace GC Ultra, a versatile laboratory GC with a full range of detectors, injectors, and valve systems; our FOCUS GC, which is a single-channel GC; our Trace GCxGC for analysis of target compounds in complex matrices; and autosamplers, including our TriPlus™ Autosampler, that provide a robotic sampling solution to a GC laboratory. We also offer chromatography data system software, detectors and various accessories such as GC columns to complete our gas phase chromatography offering.

Our GC offering is also incorporated into our GC mass spectrometry (GC-MS) product line, which pairs a mass spectrometer detector with a GC front end. In 2006, we introduced the DSQ™ II, a GC/MS product based on the platform of Thermo Fisher's DSQ and PolarisQ GC/MS systems. The DSQ II incorporates the new DynaMax XR ion detection system and the DuraBrite™ ion source. The PolarisQ Ion Trap MSn offers affordable tandem mass spectrometry at the sensitivity of GC-specific detectors.

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*Elemental Analysis.* Thermo Fisher also offers a line of elemental analysis instrumentation used to analyze elements in liquid samples. This product line includes our combustion analyzers, M & S Series atomic absorption (AA) systems, the new iCAP 6000 Series of benchtop inductively coupled plasma (ICP) spectrometers, and X Series 2 and Element2 ICP mass spectrometry (ICP-MS) systems. Environmental laboratories, geochemical and clinical/toxicology laboratories often employ these techniques, as well as many other industrial laboratories.

Thermo Fisher provides a full range of instrumentation that also performs the elemental analysis of solids, including our ARL arc spark product line based on optical emission spectroscopy (OES), our benchtop and standalone ARL X-ray fluorescence (XRF) systems for bulk analysis, our ARL X-ray diffractometry (XRD) systems, our X-ray microspectroscopy offering, our glow discharge MS system and our Auger and X-ray photoelectron spectroscopy (XPS) systems for surface analysis.

Our product line also includes our Niton portable XRF analyzers. These portable elemental analyzers are state-of-the-art handheld instruments offering high-performance analysis of metal alloys for positive material identification, scrap metal recycling, QA/QC and precious metals analysis, as well as analysis of soils and sediments, environmental monitoring, lead in paint assessment, geochemical mapping and coatings/plating analysis. The Niton Xli, XLp and XLt Series product lines are designed for the rapid on-site testing of metals for numerous industrial applications, including mining, coatings, precious metals and powder samples.

*Molecular Spectroscopy.* Thermo Fisher is also a leader in analytical instrumentation involving spectroscopic analysis of molecular structures. Our Nicolet™ Series research grade Fourier transform infrared (FT-IR) and Nicolet 380 FT-IR systems provide a complete analytical offering in FT-IR spectroscopy, from routine QA/QC applications to advanced research work across many industries. Thermo Fisher has built on this technology with a broad range of IR spectroscopy and imaging systems such as its Continuum™ XL and Centaurus™ IR microscope systems. Complementing FT-IR analysis capabilities, we also offer dispersive and FT-Raman systems for additional vibrational spectroscopic analysis of large samples or analysis down to a single micron. Thermo Fisher also designs, manufactures and markets visible and ultraviolet (UV)-visible spectrophotometers.

Customers for Thermo Fisher's chemical analysis instrumentation include environmental, pharmaceutical, polymer, petrochemical, food, semiconductor, energy, coatings, geological, steel and basic materials producers who frequently use these instruments for quality assurance and quality control applications, primarily in a laboratory.

*Services.* We have an extensive service network to support our installed base of instruments across the globe. In addition, we provide a broad range of services, including multi-vendor laboratory instrument services, such as instrument qualifications; preventive and corrective maintenance; validation, regulatory compliance and metrology; as well as instrument/equipment asset management services with solutions that deliver instrument and equipment maintenance management, physical inventory tracking and enterprise-wide maintenance reporting to help customers improve the cost/performance of their instrumentation, equipment and facilities.

## Biosciences

Our broad range of Biosciences products include fine and high-purity chemistry products, microbiological culture media, proprietary protein, DNA, cell-culture products and sterile liquid-handling systems. These products are used across the general chemistry and life sciences arenas primarily for scientific research and drug discovery, as well as clinical and industrial testing and biopharmaceutical research and production. Our Biosciences products are sold under proprietary product names such as Acros Organics™, Maybridge™, HyClone™, Pierce™, Dharmacon™, ABgene™, Oxoid™ and Remel™.

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### *Global Chemicals*

Our Global Chemicals solutions provide chemistry-based applications to scientists involved in analysis, research and development, and manufacturing. Our broad product portfolio includes our Acros Organics chemicals, which are used in basic research and manufacturing applications to synthesize new and interesting materials. These products are supplied in pre-pack and semi-bulk quantities and are used across all types of chemistry in a range of products, including cosmetics, foods, fragrances, flavors, drugs and coatings. Our Maybridge products, which include innovative drug-like molecules and screening compounds, are used by scientists designing new chemical compounds for pharmaceutical drugs. Our Fisher Chemical™ products help scientists purify, extract, separate, identify and/or manufacture products. These products are used across a range of industries, including pharmaceutical, biotechnology, electronic, and environmental. Our Fisher BioReagents™ products are used in many different laboratory applications, from cell growth to detailed protein analysis, to help scientists understand functions within living organisms. Our Fine and Custom Chemistry unit provides bulk sizes of our various products when customers scale-up from research to development and production. The primary markets served are pharmaceutical, life sciences and high technology.

### *Life Science Research (LSR)*

Our Life Science Research products provide innovative technologies and services globally through Genomic Technologies, RNA Technologies, Cell Pathways & Proteomics, and Molecular Biology Reagents lines. Our offering includes a wide range of proprietary protein-research and cell-culture products; nucleic-acid technologies; reagents for high-content cellular screening; reliable, high-quality RNA oligonucleotides; small-interfering RNA and related RNA-interference products; and plastic consumables. We serve the pharmaceutical and biotechnology industries as well as diagnostics companies, clinical laboratories, colleges and universities, government and industrial customers. Our Genomic Technologies products, sold under the ABgene name, are used to measure nucleic acids with high precision and sensitivity, enabling researchers to gain a better understanding of the control mechanisms inside a cell. Used in the study of cancer, metabolic diseases, in epidemiological studies and in agriculture research, our products provide a better understanding of the mechanisms in cells, enabling scientists to shorten the drug development process. Our RNA Technologies products, sold under the Dharmacon name, are used by scientists conducting basic research to understand the function of genes and their role in biological processes. A primary focus of research using RNAi technology is to understand the biological basis of human disease. The Dharmacon products are also used in the drug discovery process to aid in the identification and validation of new drug targets. Our Cell Pathways and Proteomics products, sold under the Pierce, BioImage™, Endogen™ and SearchLight™ names, enable the effective and efficient study of the biology of proteins, and offer unique cell-based assays and services for high-content pathway analysis.

### *BioProcess Production*

Our BioProcess Production offerings include cell-culture and bioprocessing products used in the production of animal and human viral vaccines, monoclonal antibodies, skin replacement and protein-based drugs. The product line is used in research and academic markets for cellular interaction studies, toxicity testing, antiviral, and anticancer studies. Our HyClone product offering includes leading cell-culture products (sera, classical media, serum-free and protein-free media, and process liquids) and bioprocessing systems for life science research and protein-based drug production. The line includes flexible, single-use BioProcess Container™ (BPC™) systems, which are sterile, disposable bags specifically designed for transporting, mixing, dispensing, and storing sterile liquids and powders. Under the TC Tech™ name, we also provide sterile fluid-handling bags used to transfer, transport and store bioprocess liquids in the biopharmaceutical manufacturing process as well as tubing, fittings, connectors and flexible single-use containers specifically qualified for use in bioscience applications in the biopharmaceutical, biotechnology and diagnostic industries. Products, including cell-culture media, sera, process liquids and reagents, as well as single-use BioProcess

Container systems, are provided in a variety of sizes ranging from small volumes up to tens of thousands of liters of specialized products in large vessels for full-scale production.

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### *Microbiology*

Our Microbiology offerings include high-quality microbiology laboratory products, including dehydrated and prepared culture media, collection and transport systems, diagnostic and rapid direct specimen tests, quality-control products and associated products for the microbiology market. Our products focus on aiding customers in the diagnosis of disease or potential contamination of their products or manufacturing facilities. Our Oxoid products are used by microbiologists worldwide to grow and identify bacteria. Within the clinical field, these products facilitate a rapid and accurate diagnosis of infectious disease and provide a recommendation of effective antibiotic treatment. Within the food and pharmaceutical industries, Oxoid products are used to assure the safety and quality of consumer products by monitoring production environments, raw materials and end products for bacterial contamination. Our Remel products are used worldwide by clinical laboratories, including hospitals, reference labs, clinics, and physician offices to quickly and accurately generate results for the diagnosis and treatment of infectious diseases and by industrial and research laboratories, such as food, beverage, personal care, pharmaceutical and biotech industries to monitor air quality, production processes, raw materials and finished products to assure the safety and quality of consumer products.

### Integrative Technologies

Our Integrative Technologies offerings provide integrated solutions for customers in regulated and unregulated industries such as pharmaceuticals, biotechnology, petrochemicals, chemicals, and food and beverage utilizing our broad capabilities in laboratory equipment, instrumentation, consumables, reagents and software. Our products include laboratory information management systems (LIMS), chromatography data systems (CDS), database analytical tools, automation systems, microplate instrumentation and automated imaging systems. To support our global installations, we provide implementation, validation, training, maintenance and support from our large global services network.

### *Informatics*

Thermo Fisher develops and provides LIMS solutions that provide application-specific, purpose-built functionality in software targeted for certain industries. These industries include pharmaceutical, petrochemical, chemical, food and beverage, metals and mining, environmental and water/wastewater, as well as government and academia. Thermo Fisher is a leader in developing commercial-off-the-shelf (COTS) solutions designed for specific industry applications. Providing basic requirements as standard functionality reduces risk for our customers and eases implementation, validation and training, while lowering total cost of ownership. More recently, we have focused our design and development on open standards. Moving to an open, service-oriented computing architecture based on Microsoft® .NET creates more interoperability so our systems can enable end-to-end process workflows. Our flagship LIMS, called SampleManager, moved to the .NET platform, incorporated Service-Oriented Architecture, enhanced Web interfacing, and added support for the Microsoft® SQL Server 2005 database in addition to Oracle's database option. Our Darwin LIMS™ is also based on .NET. Other products within the portfolio will be moved to .NET, migrating away from proprietary programming languages while continuing to support existing customers' use of such programming.

Our portfolio includes SampleManager LIMS™, an enterprise solution used in laboratories at leading companies in the pharmaceutical, oil and gas, environmental, chemical and food and beverage industries; Watson™ LIMS, for pharmaceutical bioanalytical laboratories; Galileo™ LIMS designed specifically for ADME and in-vitro testing in early drug discovery and development; Nautilus LIMS™, used in a range of industrial applications and increasingly by biotechnology laboratories because of its configurability, patented workflows and plate-handling capabilities; and Darwin LIMS for pharmaceutical manufacturing R&D and QA/QC. In addition, we market the Atlas CDS™, a

multi-industry enterprise-class system that is tightly integrated with our LIMS solutions for greater accuracy and consistent reporting of shared data, as well as increased productivity.

We also provide a global services network of experienced consultants who provide a broad range of services focused on the successful implementation of our customers' projects. These services include project planning, management of user workshops, defining business requirements, milestone delivery, systems integration, workflow modeling and validation consultancy.

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### *Laboratory Automation Solutions*

Thermo Fisher is a leading innovator of automation systems that provide solutions for the drug discovery market. With core competencies in integration, applications and innovation, we work closely with customers to develop both turnkey products and tailored systems for genomic/proteomic, biochemical and drug discovery applications. Our key technologies include automated storage, integration platforms, robotics and software. Advanced automated storage systems offer both low- and high-volume capacities with full environmental control; integration platforms range from stand-alone plate stackers and movers to multifunctional three-dimensional platforms with robotic arms, advanced analytical equipment and software for experiment design, control and analysis; microplate instrumentation encompasses a complete range of high-performance plate readers, washers and bulk dispensers. Precise and reliable motion control is achieved through state-of-the-art robotics that improve throughput and walk-away time. The company's software platforms schedule and control all robotics and third-party instrumentation. These software platforms integrate with LIMS and other informatics systems to enable efficient workflow and data management. Our automated platforms can incorporate imagers, liquid handlers, bulk dispensers, incubators, microplate stackers, automated storage products and vertical loading robotics.

### *Cellular Imaging and Analysis*

Thermo Fisher is a leading provider of complete systems for high-content screening (HCS) and analysis (HCA) used by drug discovery and systems-biology researchers. Our Cellomics™ platform includes automated imaging instrumentation (ArrayScan™ V™ HCS Reader and the cellWoRx™ High Content Cell Analysis System), BioApplication image analysis software and High Content Informatics (HCi™), fully integrated to improve the quality and productivity of cell-based assays. Our proprietary platforms are in use at multiple sites within the top 15 pharmaceutical companies, as well as at leading biotechnology companies and academic centers throughout the world. These products enable customers to develop new and effective therapies to treat, cure and prevent diseases and are utilized by scientists in drug discovery companies and basic research institutions to look at how drug candidates and targets of interest affect live cells. For drug discovery companies, these experiments enable scientists to determine the best drug candidates and to ultimately shorten the drug discovery process. For basic research scientists, these experiments enable scientists to explore all aspects of cell biology in a fast, quantitative fashion. These technologies are used in a range of drug discovery and in therapeutic areas such as neurobiology, toxicology, cancer biology and cell biology.

## Diagnostics

Our Diagnostics products and services are used by the diagnostics community, including healthcare laboratories in hospitals, academic and research institutes, to prepare and analyze patient samples such as blood, urine, body fluids or tissue sections, to detect and diagnose diseases, such as cancer.

### *Clinical Diagnostics*

Our clinical diagnostics products include a broad offering of liquid, ready-to-use and lyophilized immunodiagnostics reagent kits, calibrators, controls and calibration verification fluids. In particular, we provide products used for drugs-of-abuse testing; therapeutic drug monitoring, including immunosuppressant drug testing; thyroid hormone testing; serum toxicology; clinical chemistry; immunology; hematology; coagulation; glucose tolerance testing; monitoring and toxicology. Many of these products are sold under their industry-recognized brand names such as: CEDIA™, DRI™, CASCOTM, MAST™, QMST™ and Duke Scientific™. In many instances, we will work with customers or partners to develop new products and applications for their instrument platforms. We have developed one of the broadest menus for drugs-of-abuse immunoassays, including those for newer drugs such as Oxycodone,

Heroin Metabolite and Buprenorphine. We also offer a complete line of Immunosuppressant Drug immunoassays that can be used on a variety of clinical chemistry analyzers. Our clinical chemistry and automation systems include analyzers

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and reagents to analyze and measure routine blood and urine chemistry, such as glucose and cholesterol; and advanced testing for specific proteins, therapeutic drug monitoring and drugs of abuse. Our diagnostic test range currently covers approximately 80 different validated methods. We also provide pre- and post-analytical automation for preparation of blood specimens before and after analysis. In other analytical laboratory fields, our reagents and automated photometric analyzers are used for colorimetric and enzymatic analysis and quality control in food and beverage, wine and pharmaceutical production. In addition to our own sales channels, our clinical chemistry and automation systems are distributed by some of the leading diagnostic manufacturers, such as Siemens Medical Solutions Diagnostics and Ortho-Clinical Diagnostics (OCD).

### *Anatomical Pathology*

We provide a broad portfolio of products for use primarily in immunochemistry, histology, cytology and hematology applications. These products include consumables for specimen collection, tissue processing, embedding and staining, such as reagents, stains, slides, cover glass, microarray substrates, detection kits and antibodies. We also provide a range of instruments including Lab Vision 360, an autostaining immunohistochemistry slide staining system; and the HMS760X, a robot stainer used in slide staining of histology and cytological specimens; along with other equipment such as tissue processors for preparation of tissue samples; microtomes and cryostats for sectioning of processed tissues; embedding centers, slide stainers to highlight abnormal cells for microscopic examination and diagnosis; coverslippers, such as the Microm CTM6, which places glass slipcovers on slides at a high capacity of approximately 450 slides per hour; and cassette and slide labelers for identifying specimens. The Shandon Cytospin™ 4 Cytocentrifuge uses low-speed centrifugation technology to concentrate and deposit a thin layer of cells onto a microscope slide to ensure better cell capture and better preservation of cell morphology. The Shandon Excelsior™ provides a fully automatic solution for tissue processing and reagent storage/handling. For efficient handling and accurate identification of histology and cytology specimens, we offer a comprehensive line of cassette and slide labelers, including the new Shandon Laser MicroWriter™ developed specifically for anatomical pathology. The Laser MicroWriter prints 1D and 2D barcodes, text, logos and graphics in 26 different fonts at a speed of 1 to 2 seconds per slide and is designed to handle high-volume workloads in clinical or research laboratories. Other histology products include the new Shandon Finesse™ + line of microtomes for paraffin or resin sectioning, the Shandon Cryotome™ Series of cryostats for frozen sections and the Shandon Varistain™ line of slide stainers for cell morphology highlights.

### *Slide/Specialty Glass*

Thermo Fisher focuses on manufacturing flat-sheet glass to produce medical disposable products such as microscope slides, plates, cover glass and microarray substrates serving the medical, diagnostics and scientific communities.

## Environmental Instruments

Our environmental analysis instrumentation offers innovative technologies for complying with government regulations and industry safety standards, or responding to a hazardous material situation, including air and water quality monitoring, gas and particulate detection, and elemental analysis. Our instruments include portable and fixed instrumentation used to help our customers protect people and the environment, with particular focus on environmental compliance, product quality, worker safety, process efficiency and security. Key end markets include fossil fuel and nuclear-powered electric generation facilities, federal and state agencies such as the Environmental Protection Agency (EPA), first responders such as the New York Police Department, national laboratories such as Los Alamos, general commercial and academic laboratories, transportation security for sites such as ports and airports, and other industrial markets such as pulp and paper and petrochemical. Our instrumentation is used in three primary applications: air quality monitoring and gas detection, water quality and aqueous solutions analysis, and radiation

measurement and protection.

We are a leader in air quality instruments for ambient air and continuous emissions monitoring. Primary markets and customers include environmental regulatory agencies, emissions generating industries such as power generation and pulp and paper, first responders and industrial customers with Occupational Safety and Health

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Administration-related gas detection requirements. Our instruments employ a variety of leading analytical techniques, such as chemiluminescence, which uses the light emission from chemical reactions to detect common air pollutants such as nitrogen dioxide at the parts-per-trillion level. The iSeries™ family of analyzers uses various optical detection technologies to monitor parts-per-billion levels of regulated pollutants, such as ground level ozone and sulfur dioxide. The TEOM™ series of continuous particulate monitors utilizes a patented measurement technology to detect airborne particulate matter with high sensitivity in a brief time period. This monitoring capability allows the U.S. EPA and worldwide monitoring networks to provide the public with Web-based access to the concentration levels of the particulate matter of most concern to people susceptible to respiratory conditions (such as the elderly and young children). Further, state and federal environmental agencies, as well as environmental compliance officers at facilities that release emissions into the air, use our stack gas monitoring systems to ensure that governmentally mandated standards are being met. The introduction of our Mercury Freedom™ System for the continuous monitoring of total gaseous mercury emissions from coal fired power plants enables the U.S. power generation industry to monitor for compliance with new regulations mandating the measurement of mercury, which will become effective in 2009. Our industrial hygiene products measure toxic gases such as carbon monoxide and hydrogen sulfide, and hazardous chemicals such as benzene. The instruments range from handheld monitors used at hazardous waste sites for remediation activities, to general-purpose portable products for personnel-exposure monitoring, to sophisticated fixed systems in industrial facilities for early warning of unsafe combustible and toxic gas concentrations. In addition to these core applications, our product portfolio includes particulate monitoring instruments and leak-detection monitors.

Our water analysis products are recognized as high-quality meters, electrodes and solutions for the measurement of pH, ions, conductivity and dissolved oxygen. Marketed under the Orion™ and Eutech™ product names, our products are sold across a broad range of industries for a variety of laboratory, field and process applications. Based on electrochemical sensing technology, these products are used wherever the quality of water and water-based products is critical. Primary applications include quality assurance, environmental testing and regulatory compliance in end markets such as general laboratories, life science, water and wastewater, food and beverage, chemical, pharmaceutical and power generation.

Our radiation measurement and protection instruments are used to monitor, detect and identify specific forms of radiation in nuclear power, environmental, industrial, medical and security applications. For example, power-generation facilities distribute our Mark II™ electronic pocket-calculator sized personal dosimeters to employees who work in areas that may expose them to radiation to capture the legal dose of record to which they are exposed on a daily basis. In addition, our customers use contamination monitors, such as our PCM2™, in at-risk locations around their facilities to monitor radiation. A variety of our detectors, such as the Surveyor 2000™, are used to monitor radiation levels and dosage using gross gamma detection technologies. Our product portfolio includes handheld survey meters and vehicle and pedestrian portals used to stop illicit transport of radioactive material. Environmental and contamination monitors are used by nuclear power plants to ensure worker safety.

Our security instruments and systems include a comprehensive range of stationary and portable instruments used for chemical and radiation detection. These instruments are based upon analytical technologies used in our core markets that we have refined for the specific needs of the security market, including key customers like the Department of Homeland Security, the Department of Defense, the Department of Energy and first responders. Our instruments, including the new handheld RadEye™ personal radiation detector (PRD) and PackEye™ backpack style device for discreet, rapid detection of gamma-emitting radioactive sources in large areas, are used for the detection and prevention of terrorist acts at airports, embassies, cargo facilities, border crossings and other high-threat locations, as well as at major events such as the Olympics. For example, Thermo Fisher provides the latest generation of radiation detection systems, known as Advanced Spectroscopic Portals (ASPs), to the U.S. Department of Homeland Security's Domestic Nuclear Detection Office (DNDO). Deployment of these systems at port and border locations globally is designed to detect and deter the importation of illicit nuclear devices or radiological materials. The ASPs are designed

to allow Customs and other agencies to instantly detect and identify sources of radiation to a specific energy fingerprint, thus increasing the probability of deterring a threat, without a slowdown in commerce.

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### Process Instruments

Our Process Instruments products include online instrumentation solutions and services that provide regulatory inspection; quality control; package integrity; process measurements; precise temperature control; physical, elemental and compositional analysis; surface and thickness measurements; remote communications; and flow and blend optimization. We serve a wide variety of global industries including oil and gas, petrochemical, pharmaceutical, food and beverage, consumer products, power generation, metal, cement, minerals and mining, semiconductor and polymer. Our products are typically used in mission-critical manufacturing applications that require high levels of reliability and robustness. Our Process Instruments include five principal product lines: compliance testing, material characterization, materials and minerals, process systems, and weighing and inspection.

Through our compliance testing product lines we provide simulation and verification equipment for electronic components and systems under the KeyTek brand based on pulsed EMI (Electromagnetic Interference) technology. This business provides electronic components and systems-testing solutions for OEMs and independent testing labs. Our products and solutions are capable of testing EMC (Electromagnetic Compatibility) and ESD (Electrostatic Discharge) at the systems and discrete package levels to assist our customers in complying with various industry standards.

Our materials characterization product lines include instruments that help our customers analyze materials for viscosity, surface tension and thermal properties. For instance, our Haake-MARS<sup>TM</sup> and Haake-POLYLAB<sup>TM</sup> products accurately and flexibly measure a wide range of rheological properties in the lab and in process applications. These measurement platforms use open standards and have the ability to connect to a range of sensors and systems. Our PRISM<sup>TM</sup> line of extruders and blenders meet R&D, small-scale production, quality control and pharmaceutical needs.

Our materials and minerals product line includes online bulk material analysis systems, such as the CBX<sup>TM</sup> and CQM<sup>TM</sup> products for the coal, cement, minerals and other bulk material handling markets. These products employ proprietary, ultrahigh-speed, non-invasive measurement technologies that use neutron activation and measurement of gamma rays to analyze, in real time, the physical and chemical properties of raw material streams. This eliminates the need for off-line sampling, and enables real-time online optimization, for instance, allowing the customer to optimally blend raw materials to control sulfur and ash in coal fired utilities. Our gauging products are used online to measure the total thickness, basis weight and coating thickness of flat-sheet materials, such as metal strip, plastics, foil, rubber, glass, paper and other web-type products. Our Radiometrie<sup>TM</sup> gauging line uses ionizing and non-ionizing technologies to perform high-speed, real-time, non-invasive measurements. We also provide process control instruments that monitor nuclear flux inside a reactor helping our nuclear power customers operate their plants in a safe and optimal manner.

In 2006, we acquired EGS Gauging Inc. (EGS) and the business and assets of Analyser Systems (ASYS). EGS provides leading technology in measurement of thickness and related properties for non-metallic gauging using traditional ionizing technology and proprietary non-ionizing technology called FSIR<sup>TM</sup>. ASYS further enhanced our capabilities in neutron activated measurements around bulk material streams.

Our process systems products help oil and gas, refining, petrochemical, electric-utility and other customers optimize their processes. These instruments provide measurements that help improve efficiency, provide process and quality control, maintain regulatory compliance and increase worker safety. For instance, our gas flow computers support custody transfer applications in the production and transmission of natural gas; our KRIL<sup>TM</sup> level and interface detection products are used in extremely harsh coker applications for petroleum refining; our MOLA<sup>TM</sup> analyzer helps our customers measure moisture in extreme applications like coke used in metal foundries, and our VG Prima<sup>TM</sup> line

of process mass spectrometers help our customers detect minute constituents in process gases. These systems provide real-time direct and remote data collection, analysis and local control functions using a variety of technologies, including radiation, radar, ultrasonic and vibration measurement principles, gas chromatography and mass spectrometry. Our SOLA™ line of products, based on pulsed UV fluorescence technology, is an online sulfur analyzer used by refiners to bring clean fuels to consumers. We have extended the applications for SOLA to include online sulfur detection in the petrochemical environment, including flare gas composition and catalyst protection.

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Our weighing and inspection products serve the food and beverage, pharmaceutical packaging and bulk material handling industries. For the food and beverage and pharmaceutical markets, we provide solutions to help our customers attain safety and quality standards. Based on a variety of technologies, such as X-ray imaging and ultratrace chemical detection, our products are used to inspect packaged goods for physical contaminants, validate fill quantities, or check for missing or broken parts. For example, our DSP™ line of metal detectors uses non-invasive, high-speed, flux technology to inspect packaged products; our AC line of checkweighers is used to weigh packages on high-speed packaging lines; our InScan™ line uses X-ray imaging to enable our customers to inspect canned or bottled beverages at very high speeds; and the PureAqua™ line provides online-sniffing technology to inspect recycled bottles for traces of contaminants before refilling. We also provide bulk material handling products such as belt scales, flow meters, safety switches and contamination detectors to enable solids-flow-monitoring, level measurements, personnel safety, spillage prevention and contamination detection for a wide variety of processing applications in the food, minerals, coal, cement and other bulk solids handling markets.

### *Laboratory Products and Services Segment*

Through our Laboratory Products and Services segment, we offer a combination of products and services that allows our customers to engage in their core business functions of research, development, manufacturing, clinical diagnosis and drug discovery more accurately, rapidly and cost effectively. We serve the pharmaceutical, biotechnology, academic, government and other research and industrial markets, as well as the clinical laboratory and healthcare industries. This segment has six principal product groupings - Laboratory Equipment, Laboratory Consumables, Research Market, Healthcare Market, Safety Market and BioPharma Services - and provides products and integrated solutions for various scientific challenges that support many facets of life science research, clinical diagnosis and workplace safety. Specifically, our Laboratory Equipment products consist primarily of sample preparation, controlled environment storage and handling equipment as well as laboratory workstations; our Laboratory Consumables include consumables, tubes and containers for sample preparation, analysis and sample storage. Our Research Market offers a wide variety of chemicals, instruments and apparatus, liquid handling pumps and devices, capital equipment and consumables; our Healthcare Market offers analytical equipment, diagnostic tools and reagents and consumables; our Safety Market offers workplace and first responder equipment, protective gear and apparel; and our BioPharma Services provide packaging, warehousing and distribution services, labeling, pharmaceutical and biospecimen storage, and analytical laboratory services primarily in the area of drug discovery and pharmaceutical clinical trials.

In the Research Market, the Fisher catalog has been published for nearly 100 years and is an internationally recognized scientific supply resource. In the Research, Healthcare and Safety Markets, we publish more than 3 million copies of our various catalogs each year in eight different languages. Our e-commerce product references are showcased by our website, [www.fishersci.com](http://www.fishersci.com), which is a leading e-commerce site supporting the scientific research community. The website contains product content for more than 320,000 products. We maintain an international network of warehouses in our primary markets through which we maintain inventory and coordinate product delivery. With specialized product vaults and temperature controlled storage capacity, we are able to handle the complete range of products we offer to our customers. Our transportation capabilities include our own fleet of delivery vehicles as well as parcel shipping capabilities that are closely integrated with our third-party parcel carriers. Throughout the product delivery process, we provide our customers with convenient access to comprehensive electronic systems allowing for automated catalog search, product order and invoicing and payment capabilities.

We deliver our products through third-party carriers and our own fleet of delivery vehicles. Third-party carriers include United Parcel Service (UPS), Federal Express, DHL and other carriers, including national and regional trucking firms, overnight carrier services and the U.S. Postal Service.

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### Laboratory Equipment

Our Laboratory Equipment products and integrated solutions are used primarily by pharmaceutical companies for drug discovery and development, and by biotechnology companies and universities for life science research to advance the prevention and cure of diseases and enhance the quality of life.

We provide a broad range of equipment that is used for the preparation and preservation of chemical and biological samples, primarily for pharmaceutical, academic, clinical and government customers. Products include incubators that are used in biological experiments to allow growth of cells and organisms in optimal conditions of temperature, carbon dioxide and humidity. These are sold under various product line names including Forma™ and Heraeus™.

We also offer a wide range of centrifuges, which are used to separate biological matrices and inorganic materials. Our microcentrifuges are primarily used for the purification of nucleic acids in the molecular biology laboratory, our general use benchtop centrifuges are suitable for processing clinical samples such as blood and urine, and our floor models are used for large volume blood processing or in laboratories with high-throughput needs. Our super-speed and ultra-speed models are used for applications such as protein purification. Our centrifuges are sold under various product line names including Sorvall™, IEC™, Jouan™ and Heraeus.

We have a broad range of water purification products and technologies that serve the pharmaceutical, academic, industrial research and clinical testing markets. The different technologies (distillation, reverse osmosis, deionization, ultrafiltration, membrane filtration and the use of UV) allow for the systems to accept various incoming water qualities from around the world and deliver a range of water qualities for a wide variety of laboratory applications. These applications range from Type II water typically used to feed water baths or glassware washers to distilled water to Type I (extremely high-purity water), for use in hydrating reagents and buffers. In addition, for the most sensitive techniques requiring pyrogen-free, free of trace metals or low Total Organic Carbon (TOC) we offer integrated specialty treatments. These are sold under the product line name of Barnstead™.

Our shakers, stirrers and stirring hotplates, water baths and dry blocks, ovens, furnaces, heating mantles, tapes, mats and temperature monitoring devices, including thermometers, are offered in a range of sizes, temperatures and configurations for life science, analytical chemistry and quality control applications where temperature uniformity and control are critical. These are sold under various product line names including Barnstead, Precision™, Heraeus, Blue M™ and Variomag™.

We offer thermal cyclers for the amplification of nucleic acids by polymerase chain reaction (PCR) or reverse transcriptase-PCR (RT-PCR). These are sold under the product line name of Hybaid.

Our centrifugal vacuum concentrators assist researchers in evaporating organic solvents, acids and buffers from their samples and have a wide range of applications in the preparation of deoxyribonucleic acid (DNA), oligomers, plasmid preparation and the purification of pharmaceutical compounds. Our freeze dryers are used to lyophilize drugs, plants or tissues for long-term room temperature or refrigerated storage often retaining biological activity and the original cellular structure upon re-hydration. These products are sold under the Savant™ and Jouan product line names.

We are leaders in cold temperature storage equipment, ranging from laboratory refrigerators and freezers to ultralow temperature freezers and cryopreservation storage tanks, which are used primarily for storing samples in a cold environment to protect from degradation. These systems may be customized to accommodate specific equipment, allowing reactions (such as chromatography) to be run under low-temperature conditions. These products are sold under various product line names including Forma, Revco™, Harris™, Jewett™, Barnstead, Heraeus and Jouan.

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Our biological safety cabinets enable technicians to handle samples without risk to themselves or their environment and without risk of cross-contamination of samples. Equipped with filtered air ventilation, controlled laminar flow and an ultraviolet source, biological safety cabinets can be used for tissue culture, IVF, infectious samples, forensic analysis or bioterrorism research. These products are sold under various product line names including Forma, Heraeus, Holten™ and Jouan.

We provide a range of steam sterilizers for sterilizing biological samples and laboratory tools that are primarily used by pharmaceutical, clinical and academic customers. These products are sold under the product line names of H+P™ and Forma.

Through our control technologies product line we are a leading manufacturer of precision temperature control products for global industrial and laboratory markets. The temperature-control product line includes the NESLAB™ and HAAKE™ lines of heated/refrigerated circulating baths, immersion coolers and re-circulating chillers. Customers use these products to control highly critical manufacturing processes, such as semiconductor manufacturing operations or pharmaceutical-grade extrusion lines.

We also manufacture private label and OEM versions of certain of our product lines.

We are a major supplier of laboratory workstations and fume hoods for either new construction or laboratory renovation. Our product offerings include steel, wood and plastic laminate casework systems, adaptable furniture systems, chemical ventilation fume hoods and chemical storage cabinets and various other laboratory fixtures and accessories. Laboratory workstation products are sold under the names of Fisher Hamilton™, Horizon™, Concept™, SafeAire™ and Pioneer™.

We supply internet, phone and field technical support and service for laboratory equipment including installation, maintenance, repair and training on a worldwide basis via a network of internal phone support technicians and field-based service technicians as well as third-party service providers.

## Laboratory Consumables

We manufacture and sell glass and plastics consumables and certain related equipment to entities conducting scientific research, including drug discovery and drug development, quality and process control, clinical and basic research and development.

We are a leading supplier of sample tubes, containers and vessels, in a variety of plastics and glass and in a wide range of volumes for all types of life science, analytical and clinical analysis. Included in this offering are microwell plates ranging from a single well to 1,536 wells for applications ranging from tissue culture to primary and secondary screening in drug discovery. The geometry of the wells, the type of plastic resin, the surface treatments or filtration membrane in the devices vary to serve a number of applications for maximizing cell growth, sample concentration within the well or reduce background fluorescence or non-specific binding. These products are sold under various brand names including Nalgene™, Nunc™, MBP™, Capitol Vial™, Chase™ and Samco™.

Accurate measurement and dispensing of samples and reagents is critical in a variety of industrial, academic, government, and clinical laboratories. We have a wide variety of single and multiple channel pipetting tools from manual to highly automated, covering a wide volume range. The ergonomics of these devices are important to the comfort of researchers handling numerous samples and pipetting steps on a daily basis. Due to sample cross-contamination concerns, the tips of the pipettes are disposable and a separate tip is used for each sample. These products are sold under various brands and product line names including Finnpiptette™, Matrix™, MBP and QSP.

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We have tubes specific to centrifugation in various sizes to fit the volume and centrifugal speed requirements of the sample. In addition, we are the leaders in sample storage vials and organization systems for ultralow temperature and cryogenic storage, offering specific products for low protein binding (Cryobank™) and low DNA binding (Bank it™). These products are sold under various brands including Nalgene, Nunc and Matrix.

We are the leading provider of tissue culture filtration and growth vessels. Our products are used by researchers for growth of tissue culture and can be scaled up to biomanufacturing of vaccines or monoclonal antibodies using Cell Factory products. The sterility of samples and growth media is critical to the viability of the cells. These products are sold under various brands including Nalgene and Nunc.

## Research Market

Our Research Market offerings include a wide range of products and services from a single source designed to allow our customers to engage more accurately and efficiently in laboratory research and development throughout the world. Our customers represent all industries requiring any level of laboratory research, including but not limited to the pharmaceutical, biotech, food and agriculture, government, academic and manufacturing industries.

Our products include all forms of laboratory products, ranging from capital equipment and instruments to chemicals to consumable products. We offer a mix of products that are manufactured by Thermo Fisher, that are manufactured by third parties for us on a private-label basis, and that are manufactured by third parties under their brand but offered for sale exclusively through us. We also offer a broad range of third-party products representing leading industry brand names on a non-exclusive basis.

Our biennial catalog consists of more than 40,000 products. Beyond our catalog, we offer our customers access to more than 650,000 products. Our e-commerce website, [www.fishersci.com](http://www.fishersci.com), has been an industry-leading online ordering and reference tool since its inception in the 1990s.

In addition to our broad product offering, we offer a variety of specialized services to our customers through our Managed Services team. Services provided to customers include dedicated logistics personnel who manage inventory and provide desktop delivery, coordinate instrument calibration and service, facilitate glass washing, provide on-site customer service and deliver other services that allow our customers to focus on their core research activities.

## Healthcare Market

Our Healthcare Market offerings include a broad array of consumables, diagnostic kits and reagents, equipment, instruments, solutions and services for hospitals, clinical laboratories, reference laboratories, physicians' offices and other clinical testing facilities. These products are manufactured by Thermo Fisher and third parties.

Healthcare Market products and solutions focus on the collection, transportation and analysis of biological samples. Major product lines include anatomical pathology, molecular diagnostic and cardiac risk management solutions, along with blood collection devices, consumable vials and transportation devices, as well as an extensive portfolio of rapid diagnostic testing devices for drugs-of-abuse testing and diagnosis and monitoring of cancer, endocrine function and cardiovascular, gastrointestinal, nervous system, respiratory and sexually transmitted diseases. The Healthcare Market core product offering also includes high-end diagnostic instruments and equipment together with the reagents used in those instruments and equipment to perform diagnostic tests. Sales in the healthcare market are fueled by the administration and evaluation of diagnostic tests. We believe that the aging population, as well as the increased demand for the development of new specialty diagnostic tests, will result in increased market growth.

In addition to our broad product offering, we offer a variety of specialized services to our customers through our Managed Services team. Services provided to customers include dedicated logistics personnel that manage inventory, provide on-site customer service, and deliver other services that allow our customers to focus on their core responsibilities.

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