APPLERA CORP
Form 425
June 12, 2008

Creating the Premier Provider of
Biotechnology Reagents and Systems
June 12, 2008
Filed by Invitrogen Corporation
Pursuant to Rule 425 under the Securities Act of 1933

and Deemed Filed Pursuant to Rule 14a-12
Under the Securities Exchange Act of 1934
Subject Company: Applera Corporation
Commission File No.: 001-04389

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Certain statements
contained
in
this
presentations
are

forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and Invitrogen and Applera intend that such forward-looking statements be subject to the safe harbor crea
Forward-looking statements may be identified by words such as

- expects,
- anticipates,
- intends,
- plans,
- believes,
- seeks,
- estimates,
- will,

or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of Applied Biosystems, Invitrogen and the combined company. Such forward-looking statements include, but are to, statements relating to financial projections, including revenue and pro forma EPS projections; success in acquired businesse cost and revenue synergies; development and increased flow of new products; leveraging technology and personnel; advanced opportunities and efficiencies; opportunities for growth; and expectations of prospective new standards, new delivery platforms, and new selling specialization and effectiveness. A number of the matters discussed in this press release that are not historical or curren with potential future circumstances and developments, in particular, information regarding the new company, including expect resulting from the merger of Invitrogen and Applied Biosystems, combined operating and financial data, future research and de plans and whether and when the transactions contemplated by the merger agreement will be consummated. The discussion of s

matters is qualified by the inherent risks and uncertainties surrounding future expectations generally and other factors that coul actual results to differ materially from future results expressed or implied by such forward-looking statements. Such risks and include, but are not limited to: the failure to realize capital and operating expense synergies; the result of the review of the proposed merger by various regulatory agencies, and any conditions imposed on the new company in connection with consummation of approval of the merger by the stockholders of Invitrogen and Applied Biosystems and satisfaction of various other conditions to the closing of the merger contemplated by the merger agreement;

and the risks that are described from time to time in Invitrogen's and Applera's respective reports filed with the SEC, including Invitrogen's annual report on Form 10-K for the year ended December 31, 2007 and quarterly report on Form 10-Q for the quarter ended March 31, 2008 and Applera's annual report on Form

10-K
for
the
year
ended
June
30, 2007 and quarterly reports on Form 10-Q for the quarters ended September 30, 2007, December 31, 2007 and March 31, 20
such reports
may
have
been
amended.
This
press
release
speaks
only
as
of
its
date,
and
Invitrogen
and
Applera
each
disclaims
any
duty to
update the information herein.
Safe Harbor
Statement

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Non-GAAP Measurements
This
presentation
and
discussion
includes

certain
financial
information
which
constitute
non-GAAP
financial
measures
as
defined
by
the SEC. The GAAP measures which are most directly comparable to these measures, as well as a reconciliation of these meas
with
the
most
directly
comparable
GAAP
measures,
can
be
found
at
www.appliedbiosystems.com
or
www.invitrogen.com
Additional Information:
This presentation
is
being made pursuant to and in compliance with Rules 165 and 425
of the Securities Act of 1933 and does not
constitute
an
offer
of
any
securities
for
sale
or
a
solicitation
of
an
offer
to
buy
any
securities.
In

connection
with
the
proposed
transaction, Invitrogen and Applied Biosystems
expect to file a proxy statement/prospectus as part of a registration statement
regarding the proposed transaction with the Securities and Exchange Commission, or SEC. Investors and security holders are
read
the
proxy
statement/prospectus
because
it
will
contain
important
information
about
Invitrogen
and
Applied
Biosystems
and
the
proposed
transaction.
Investors
and
security
holders
may
obtain
a
free
copy
of
the
definitive
proxy
statement/prospectus
and
other
documents when filed with the SEC at the SEC s website at www.sec.gov. The definitive proxy statement/prospectus and othe
documents
may
also
be
obtained
free
of

charge from Invitrogen by directing such requests to: Invitrogen Corporation, 5791 Van Allen Way, Carlsbad, CA 92011, Attention: Investor Relations or from Applied Biosystems by directing such requests to: Applied Biosystems Corporation, XXX, Attention: [Investor Relations]. Investors and security holders are urged to read the proxy statement, prosp and other relevant material when they become available before making any voting or investment decisions with respect to the p transaction.

Additional Information

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Invitrogen
and Applera
and their respective directors, executive officers and certain other members of their management and
employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Informa
concerning all of the participants in the solicitation will be included in the proxy statement relating to the proposed merger whe
becomes available. Each of these documents is, or will be, available free of charge at the Securities and Exchange Commission

site at
http://www.sec.gov
and
from
Invitrogen
Investor
Relations,
telephone:
760-603-7200
or
on
Invitrogen s
website at
http://invitrogen.com
or
Applied
Biosystems s
website:
at
http://www.appledbiosystems.com.
Participants In The
Solicitation

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Transaction Overview
Transaction
Structure
Consideration and
Relative Ownership
Approvals

Company Name
Headquarters
Closing

Invitrogen will acquire all of the outstanding shares of Applied
Biosystems
for $38 per
share in a combination of cash and stock, for a total value of $6.7 billion

Applied Biosystems
shareholders will receive approximately 45% of consideration in
cash and 55% in Invitrogen common stock for each share of Applied Biosystems
common stock they own

Invitrogen shareholders will own majority of the company

Financing underwritten by Bank of America, UBS and Morgan Stanley

Applied Biosystems, Inc.

Requires approval by regulatory authorities as well as Invitrogen and Applera
shareholders

Transaction targeted to close in Fall of 2008

Carlsbad, California

~9,700 employees
Employees

7
Board
Composition
Executive
Management

9 Invitrogen and 3 Applera board members

Greg Lucier
Chairman, President and CEO

Invitrogen CEO and Board Member since May 2003

Invitrogen Chairman since April 2004

Former Corporate Officer of General Electric Corporation
David Hoffmeister
Senior VP, Finance and CFO

Invitrogen Senior VP, Finance and CFO since October 2004

Former Senior Partner at McKinsey & Co.
Mark Stevenson
President and Chief Operating Officer

Applied Biosystems
President and COO since December 2007

Joined Applied Biosystems
Europe in 1998
Transaction Overview (Continued)

8
Combining Industry Leaders

Founded: 1987

Premier provider of consumable
kits and reagents

Annual revenue of $1.3 billion

Leading positions in:

Cell Culture (GIBCO)

Labeling and Detection

Molecular Biology Kits

~4,700 employees

1,200 patents & licenses

Carlsbad, CA (HQ)

Founded: 1981

Premier provider of genetic analysis &
mass spec systems, reagents & services

Annual revenue of $2.2 billion

Leading positions in:

DNA Sequencing

PCR / Real-Time PCR

Mass Spectrometry

~5,000 employees

2,400 patents & licenses

Norwalk, CT (Corp. HQ)
Foster City, CA (Op. HQ)

9
Advance Science
to Improve the Human Condition
Shared Vision
Innovate to Solve Customer Workflow Challenges
Deliver Superior Quality and Reliability
Differentiate the Customer Experience

Win Together

10
Newco
Competitive Advantages
New Company Well-Positioned to Benefit From
Macrotrends
Genomics and cell biology
convergence

Translation of technologies to
applied markets
Race to understand human genome
and genetic variations
Growth in emerging geographies
Positioned to capture more of
profit stream
ABI systems + Invitrogen molecular
biology expertise
SOLiD
+ Invitrogen = pathway
toward $1,000 genome
Combined investment scale
Industry Dynamics

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Highly complementary, best-in-class product offerings

Broad and extensive commercial network

Strong platform for expansion into high-growth markets

Significant value creation opportunities for shareholders

Strong financial profile
Strategic Rationale
Merger combines the industry's premier consumables provider with
the
industry's premier systems provider to create a world-class biotechnology
tools company that is well positioned to accelerate and drive new
discoveries and commercial applications

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Best in Class Product Offerings Across All Major
Biological Disciplines

ChargeSwitch®
nucleic acid prep

SYBR
®
Green

Gateway
®
&
TOPO
®
cloning
Gene Regulation
Proteomics
Cell Biology
Genomics

SuperScript
®
reverse
transcription

Lipofectamine
®
transfection

Novex
®
gels,
stains,
standards

iBlot
western
blotting

Molecular
Probes
®
labels

Invitrogen
immunoassays

Gibco
®
media

TaqMan®
chemistry

SOLiD

and CE
sequencing

RT-PCR / PCR

Ambion®
reagents

Ambion
®
RNAi

SOLiD
and
CE sequencing

RT-PCR

MALDI TOF/TOF

Q TRAP
®

iTRAQ
®
/ mTRAQ
peptide labels

cAMP-Screen
®
chemilum.
assays

14
With Highly Complementary Revenue Streams
Consumables
& Services*
60%
Mass Spec
Instruments

19%
Instrument
Reagent
Systems
21%
Consumables
& Services*
74%
Mass Spec
Instruments
12%
Instrument
Reagent
Systems
14%
Consumables
& Services*
99%
Instrument
Reagent
Systems
1%
IVGN Revenues
ABI Revenues
Newco
Revenues
Diversified Portfolio of High Margin Products
+
=
*includes IP royalties

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Enables Combined Company to Create New End-to-
End Workflow Solutions
Sample Prep
Detection /
Analysis
Data
Interpretation
Sample Processing

Innovate around workflows

Serve customers holistically

16
$112
$190
IVGN (1)
ABI (2)
Patents & Licenses
1,200

2,400
IVGN
ABI
R&D Investment
(in millions)
R&D Investment
(% of revenue)
8.5%
11.4%
IVGN
ABI (2,3)
(2) FY2008 Estimate
(3) excludes mass spec revenue
Leading investment in R&D provides significant scale for developing
breakthrough innovations
Innovation Engine Supported by Significant Scale
(1)
FY2007 Actuals
(2)
FY2008 Estimate

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Excels at repeat business

e-Commerce expertise

1,000+ supply centers

Strong relationships with
bench scientists

Excels at systems sales

Global service infrastructure

Presence beyond life sciences

High level customer
relationships

Approximately 3,000 sales & service personnel

Fully capture lifetime value of customer revenue

Enhanced customer service levels

Global coverage

Scale at all customers
Broad and Extensive Commercial Network with
Complementary Skills

18
Market
Size
Market
Growth
Capabilities:
Applied

Markets
$9B
Low double
digits
Emerging
Geographies
$1B
Midteen s
Cell
Biology
$6B
High single
digits
Next Gen
Sequencing
>35%
$200M
Strong Platform for Expansion Into High
Growth Markets

19
New Company Will Have Capabilities to Offer Complete
Solutions in Key Cell Biology Workflows
$8.2B
$6.3B
2010
2007

Key Growth Points:
- Disease relevant cells and cell inputs
- Stem cells and cell therapy
- Multiplexing and bench top instrumentation

9% CAGR
IVGN
63%
Best Cell Biology Supplier:
Market Size
Capabilities/Presence:
Content & Reagents
Systems Expertise
Cells & Cell Control
Customer Access

20
Applied Markets Represent Attractive Growth
Opportunity
700
800
400
800

1,100
1,100
2,700
2,400
$9.2B
1,200
600
1,400
1,300
3,700
3,400
$12.4B
2010
Other
Forensics
QA / QC
AgBio
Food Safety
Histology/Cytology
Molecular Dx
2007
Source: Kalorama, Global Strategic Business, Frost and Sullivan, Consultant Reports
Key Growth Points:
- Conversion to molecular testing
- New content/biomarkers
- Distributed testing

10%+ CAGR
Capabilities/Presence:

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Genomic Revolution

Improved diagnostics & disease management

Transformed clinical trials

right
treatments for right patients

Genomic baseline at birth
educated consumer and lifestyle
choices improve human condition
Next Generation Sequencing Driving New
Discoveries
SOLiD
Platform

Highest output/run of any platform

2 base encoding yields highest accuracy
of all short-read NGS platforms

Best in class field service and support
yielding rapid sales uptake

Combining company capabilities further
platform with:

Improved front end (walk away)

Optimized reagents (labeling &
molecular biology expertise)
Driving
toward
$1,000
genome

22
Increased validation
by RT-PCR
Genomic Analysis Drives Downstream Revenue
SOLiD
drives down
the cost of rare SNP

/expressor
discovery
Application to
therapeutics
/diagnostics
Increase in cell
biology research to
understand gene
products in context
More questions

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At
least
$125
million
annual

cost
savings
by
3
rd
year

Raw material synergies

Overhead redundancies

Facility rationalizaton

R&D scale

At least $50 million annual Operating Income from revenue
synergies by 3
rd
year

Cross selling/channel synergies

Penetration of new markets

New joint products
Significant Opportunities for Value Creation
$175 million of Synergies
~$60 million of total synergies realized in 2009

25

~$3.5 billion in combined LTM revenue

Strong EBITDA

and operating
cash flow
contribution

Intent to quickly
repay debt
LTM March 31, 2008
$803
23%
$480
22%
$323
24%
Operating Cash Flow
as % of Revenue
$859
25%
$490
23%
$369
28%
EBITDA
(1)
as % of Revenue
$3,496
$2,173
$1,323
Revenue
ProForma
Applied
Biosystems
Invitrogen
($mm)
Strong Financial Profile
(1) Non-GAAP measure

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Revenue Diversified Across Segments
with a significant contribution from high-margin consumables
Rev. By End Markets
Rev. By Product Mix
Industry &
Other

20%
Pharma &
Biotech
30%
Academic
& Govt
50%
Rev. By Geography
United
States
44%
Europe
34%
APAC
16%
Other
6%
Consumables
& Services
74%
Mass Spec
Instruments
12%
Instrument
Reagent
Systems
14%

27
2009 Financial Goals
$2.60+
(2)
Non-GAAP EPS
(1)
Mid single digits

Organic Revenue Growth
2009E
Notes:
(1)
Non-GAAP EPS excludes certain acquisition related costs, including amortization of intangible assets, business integration and other expenses.
(2)
Neutral to slightly accretive to 2009 Street estimates

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Next Steps

Approvals

Invitrogen and ABI shareholder approval

HSR, ECMR and other regulatory approval

Expected close: Fall of 2008

Integration Roadmap

Project management team put in place immediately

Upon closing:

Reagent businesses combined quickly and smoothly

Instrument businesses will largely be left stand alone, except for joint R&D projects which will commence immediately

Cost savings programs implemented

30

Experienced Management Teams Will Deliver on Deal Promise

Invitrogen team:

Executed upon significant improvements to financial profile in

<2 years

>30% shareholder returns in last 5 years

Integrated 15 acquisitions in 3 years

On track
to
deliver
7
consecutive
quarter
of
strong
organic
growth and double digit earnings growth

Applied Biosystems
team:

Long industry leadership in DNA, small molecule and protein-based systems

Significant margin expansion and operational improvements in last 3 years
th

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Highly complementary, best-in-class product offerings

Broad and extensive commercial network

Strong platform for expansion into high-growth markets

Significant opportunities for value creation for shareholders

Strong financial profile
Strategic Rationale
Merger combines
the
industry's
premier
consumables
provider
with
the
industry's premier systems provider to create a world-class biotechnology
tools company that is well positioned to accelerate and drive new
discoveries and commercial applications