

FISHER SCIENTIFIC INTERNATIONAL INC

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Subject Company: Fisher Scientific International Inc.

Commission File No. 1-10920

The following presentations from Thermo Electron's Annual Investor Conference on Wednesday, May 24, 2006 were posted on Thermo Electron's website.

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## FORWARD-LOOKING STATEMENTS

Information set forth in this filing contains forward-looking statements, which

involve a number of risks and uncertainties. Thermo Electron and Fisher

Scientific caution readers that any forward-looking information is not a

guarantee of future performance and that actual results could differ materially

from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Thermo Electron and Fisher Scientific, including future financial and operating results, the new company's plans, objectives, expectations and intentions and other statements that are not historical facts.

Important factors that could cause actual results to differ materially from

those indicated by such forward-looking statements are set forth in Thermo

Electron's and Fisher Scientific's filings with the SEC, including their

respective Quarterly Reports on Form 10-Q for the first quarter of 2006.

These include risks and uncertainties relating to: the ability to obtain regulatory approvals of the transaction on the proposed terms and schedule; the risk that the businesses will not be integrated successfully; the risk that

the cost savings and any other synergies from the transaction may not be

fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; competition and its effect on pricing, spending, third-party relationships and revenues; the need to develop new products and adapt to significant technological change; implementation of strategies for improving internal growth; use and protection of intellectual property; dependence on customers' capital spending policies and government funding policies; realization of potential future savings from new productivity initiatives; dependence on customers that operate in cyclical industries; general worldwide economic conditions and related uncertainties; the effect of changes in governmental regulations; exposure to product liability claims in excess of insurance coverage; and the effect of exchange rate fluctuations on international operations. The parties undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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ADDITIONAL INFORMATION ABOUT THIS TRANSACTION

In connection with the proposed merger, Thermo Electron will file with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4 that will include a joint proxy statement of Thermo Electron and Fisher Scientific that also constitutes a prospectus of Thermo Electron. Thermo Electron and Fisher Scientific will mail the joint proxy statement/prospectus to their respective stockholders. Investors and security holders are urged to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available because it will contain important information. You may obtain a free copy of the joint proxy statement/prospectus (when available) and other related documents filed by Thermo Electron and Fisher Scientific with the SEC at the SEC's Web site at [www.sec.gov](http://www.sec.gov). The joint proxy statement/prospectus (when it is available) and the other documents may also be obtained for free by accessing Thermo Electron's Web site at <http://www.thermo.com> under the heading "About Thermo" and then under the heading "Investors" or by accessing Fisher Scientific's Web site at <http://www.fisherscientific.com> under the tab "Investor Info."

Thermo Electron, Fisher Scientific and their respective directors and executive officers may be soliciting proxies from stockholders in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders in connection with the proposed merger will be set forth in the joint proxy

statement/prospectus when it is filed with the SEC. You can find information

about Thermo Electron's executive officers and directors in Thermo Electron's definitive proxy statement filed with the SEC on April 11, 2006. You can find information about Fisher Scientific's executive officers and directors in their definitive proxy statement filed with the SEC on April 6, 2006. You can obtain free copies of these documents from Thermo Electron or Fisher Scientific using the contact information above.

**World Leader in Analytical Instruments**

**Marijn E. Dekkers**

*President & CEO*

2006 Annual Investor Conference

May 24, 2006

## Summary

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

### 1. Thermo is leading the way

Size matters!

World-class technologies

*Scientific instruments leader*

*Laboratory equipment powerhouse*

Integrated solutions for the lab

*Integrated workflow solutions*

*Beyond the Box informatics & services*

Instruments solutions outside the lab

Strong industrial & laboratory demand  
fueling growth

2005 actual up 25% over 2004,  
2006 expected to be 14-18% over 2005

2. Adjusted EPS growth is  
accelerating

3. Growth platform has  
momentum

4. Continued focus  
on productivity

5. Balanced customer base

Practical Process Improvement (PPI)  
will drive further margin and cash  
flow improvement

The Industry is Changing

**Customer Trends:**

More globally dispersed

More interested in efficiency

Fewer suppliers

More accurate analysis

Integrated workflow solutions

**Thermo Capabilities:**

Global footprint

Largest sales & services team

Broad, *but integrated*, set of technologies

Largest R&D budget

Strong balance sheet to fund acquisitions

**As the industry leader, we are in a strong position**

*Thermo well positioned to win*

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Thermo Today

\$2.8B in revenues

1 global brand

11,000 employees

Operations in 30 countries

Headquartered near Boston, MA

S&P 500

*The world leader in analytical instruments*

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The World Leader in Analytical Instruments

*Our instrument solutions enable customers to make the world*

*a healthier, cleaner and safer place*

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Thermo s Analytical Technologies

**Mass Spectrometry**

**FT-IR Spectroscopy**

**Raman Spectroscopy**

**X-Ray Diffraction**

**X-Ray Fluorescence**

**UV-Vis Absorbance**

**Atomic Absorption**

**High-Pressure Liquid  
Chromatography**

**Gas Chromatography**

**Chemiluminescence**

**Photochemistry**

**Pulsed UV Fluorescence**

**Inductively Coupled Plasma**

*World-class technologies*

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Thermo s Analytical Technologies

**Drug Discovery**

**Forensic Science**

**Clinical Diagnostics**

**Environmental Testing**

**Safety & Security**

**Quality Control**

*Advanced technologies tackling tough analytical challenges*

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External Recognition

**IBO 2005 Company of the Year**

**2005 Frost & Sullivan Award:  
LIMS Market Leader**

**2006 Pittcon**

**Editor s Gold Award**

**13**

Two Segments

**Pharma/biotech labs**

**Clinical labs**

**Government/university labs**

**Industrial labs**

**Forensics labs**

**Environmental labs**

**MEASUREMENT & CONTROL**

*25%*

**Safety and security**

*Air/water quality*

*Safety & security*

**In-line manufacturing processes**

*Pharmaceuticals production*

*Food/beverage processing*

*Chemicals/materials production*

**THERMO OUTSIDE THE LAB**

**LIFE & LABORATORY SCIENCES**

*75%*

**THERMO INSIDE THE LAB**

**14**

Business Landscape

*Outstanding portfolio mix*

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Diverse Markets & Geographic Spread

**North America**

**Asia**

**Other**

**Europe**

**Geographic**

**Distribution**

*Globally positioned*

**Environmental/**

**Security**

**Clinical**

**Industrial**

**Pharma/Biotech**

**Academia/Gov t.**

**End  
Markets**

*Balanced customer base*

**16**



VC Funding Flow into Biotech

*Stronger equity flow into biotech driving laboratory investment*

**Billions**

**Equity Raised By Biotech\***

\*Source: Thomas Weisel Partners LLC

**17**

Big Pharma's Investment in R&D

**Top 10 Survey R&D Spend Trend\***

\*Source: Pharmaceutical Executive Magazine: Top 50 Survey Reports \*\*Assumes 4% growth in Top 10 Pharma R&D spend for 2006

**Billions**

*Growth continues albeit at a slower rate*

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Private Sector Fueling Research

*Private research grants on the rise*

Source: [www.bcm.edu](http://www.bcm.edu)

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Commodity Pricing & Industrial Capacity Utilization

\*Steel data illustrates an average of three indices

\*

**Upward Price Trend**

**Tightening Capacity Trend**

***Industrial customers continue to invest in capacity expansion***

*April industrial capacity utilization rose to 81.9% from 81.4% in March. Last month's utilization rate was the highest since July 2000 and rose to about one percentage point above the 1972-2005 average, according to the Fed.*

Source: Dow Jones May 2006

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Thermo s Competitive Position

**Fisher Scientific**

**Sigma Aldrich**

**Invitrogen**

**Varian**

**PerkinElmer**

**Mettler Toledo**

**Waters**

**GE Healthcare**

**Beckman Coulter**

**Agilent  
Technologies**

**Applied  
Biosystems**

**Thermo**

**Company**

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Two Growth Drivers Unique to Thermo

**1.**

Total integrated instruments solutions *for the laboratory*

Designed workflows for Sample Preparation, Analysis, Data Interpretation, Automation, and Services

Examples:

*Biomarker Proteins*

**2.**

Take laboratory analytical technologies *outside the laboratory*

Process control instrumentation

Environmental monitoring instrumentation

Safety and security instrumentation

*Drives our new product and acquisition strategy*

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Enabling Integrated Workflows in the Lab

*Thermo uniquely positioned*

**Laboratory Equipment**

**Scientific Instruments**

**Informatics & Services**

**Laboratory Services**

**Automation**

**Consumables/Reagents**

**Sample**

**Preparation**

**Sample**

**Analysis**

**Data**

**Interpretation**

**& Storage**

*CRS Robotics*

*Innaphase*

*USCS, LMSi*

*Jouan, Kendro*

*Ionalytics*

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**Robotics**

**Centrifuges**

**Concentrators**

**Liquid  
Chromatography/  
Mass Spectrometry**

**Lab  
Information  
Management  
System**

**Microplate  
Readers**

**Software**

**Xcalibur**

**Protein  
Fractionation**

Enabling Integrated Workflows in the Lab:  
Biomarker Research

**Freezers**

**Data**

**Interpretation  
& Storage**

**Sample**

**Preparation**

**Sample**

**Analysis**

**Cells or  
Tissue**

**Biomarker  
Identification**





**Lab to Line Strategy**

Taking Instruments Outside the Lab

*From Recipe Measurements to End-Point Detection*

*Increased Regulatory Pressures*

*Economics & Profitability*

*Protection from Liabilities*

**Key Drivers:**

**25**

**Applications**

**Technology in**

**the Laboratory**

**Fermentation Analysis**

**Protein & Vaccine Production**

**Mass Spectrometry**

**Tablet Inspection**

**FTIR Imaging Systems**

**FTIR & NIR**

**Lab to Line Opportunities**

**Alloy Formulation**

**Steel and Metals Production**

**X-ray Fluorescence**

**Sulfur Analysis in Gasoline**

**Pulsed UV Fluorescence**

**Refinery Operations**

*We have already demonstrated key successes with leading customers in the process industries*

**Migration  
to Process**

**Can Filling**

**Food/Beverage Inspection**

**X-Ray Imaging**

**Coal Blending**

**Coal Production**

**Gamma Radiation Imaging**



Acquisitions & Divestitures since March 2005

*Significantly stronger portfolio*

**Niton - Portable X-Ray Instruments**

**R&P - Air Quality Instruments**

**Kendro - Laboratory Equipment**

**Ionalytics FAIMS for Mass Spectrometry**

**Omega Data Systems Instrument Software**

**Biostar Point of Care**

**Allen Coding**

**Acquisitions**

**Divestitures**

**Total Cost \$937M**

**Revenue \$425M**

**Total Proceeds \$64M**

**Revenue \$43M**

**Total:**

**Total:**

27

Financial Goals

**Revenue**

*Driving adjusted EPS growth to 19% CAGR*

**Goal**

**Adjusted EPS**

**\$2.81 - \$2.86**

Billions

**Goal**

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

\$2.81 - \$2.86B

\$1.47

\$350M

13.3%

\$2.63B

**2005**

**Actual**

\$1.68 - \$1.73

\$420-430M

14.7-15.2%

**2006**

**Goal**

\$1.18

\$262M

11.9%

\$2.21B

**2004**

**Actual**

14-18%

**Adjusted EPS**

20-23%

140-190 bps

**Adjusted Operating Income**

*% of Revenue*

7-9%

(5-6% organic  
growth)

**Revenue**

**05 VS. 06**

## **Change**

### Financial Goals

#### *Thermo positioned for a strong 2006*

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Combination of Industry Leaders

***Accelerates Earnings Growth***

Industry transforming

Exciting growth opportunities

World-class capabilities

Compelling financial benefits

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Combined Financial Strength

**\$2.27 - \$2.37**

**Adjusted EPS**

**Over \$1 billion**

**\$1.5 - \$1.6 billion**

*17%*

**\$9.2 - \$9.3 billion**

**2007**

**Operating Cash Flow**

**Adjusted Operating Income**

*% Margin*

**Revenue**

Note: Above items include the effect of stock option expense.

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The World Leader in Analytical Instruments

*Our instrument solutions enable customers to make the world*

*a healthier, cleaner and safer place*

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**Thermo Electron Corporation**

**Building Financial Momentum**

**Pete Wilver**

*Chief Financial Officer*

2006 Annual Investor Conference

May 24, 2006

Financial Update

2007 Outlook

2006 Guidance

Financial Trends

2005 Actual Results

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## Full Year 2005 Actual Results

***Excellent financial performance exceeded high-end of original EPS guidance by \$0.10***

**Full Year**

		<b>2005</b>	<b>2004</b>	<b>Inc/(Dec)</b>	
Revenue		\$2,633		\$2,206	19%
<i>Organic Growth</i>		4%	4%		
Adj. Operating Income	\$350		\$262		34%
<i>% of Revenue</i>		13.3%		11.9%	1.4%
Free Cash Flow	\$245		\$206		19%
Adjusted EPS	\$1.47		\$1.18		25%

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required.

Revenue Trend

**\$ Billions**

**Reported Growth**

**Organic Growth**

**3%**

**4%**

**(3%)**

**16%**

**19%**

**4%**

**7.9%**

**5.6%**

\$1.90

\$2.21

\$2.63

**\$2.81 2.86**

**36**

Adjusted Operating Income Trend

**\$ Millions**

**YOY Growth**

**% of Sales**

**11%**

**11.9%**

**11.4%**

**21%**

**34%**

**13.3%**

**20 23%**

**14.7 15.2%**

**\$216**

**\$262**

**\$350**

***\$420 430***

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

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Adjusted EPS Trend

**YOY Growth**

**14%**

**18%**

**25%**

**14 18%**

\$1.00

\$1.18

\$1.47

***\$1.68 1.73***

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

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Free Cash Flow Trend

**\$ Millions**

\$163

\$206

\$245

**\$275 300**

**YOY Growth**

**97%**

**26%**

**19%**

**12 22%**

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006.

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## Q1 2006 Actual Results

*Last four quarters average 7% organic growth, 200+ bps margin expansion and over 25% adjusted EPS growth*

**First Quarter**

(\$ in millions, except EPS)

		<b>2006</b>	<b>2005</b>	<b>Inc/(Dec)</b>	
Revenue		\$684		\$559	22%
<i>Organic Growth</i>		10%		0%	
Adj. Operating Income	\$97		\$61		58%
<i>% of Revenue</i>		14.2%		11.0%	3.2%
Adjusted EPS		\$0.39		\$0.29	34%

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

14-18%

\$1.47

\$1.68-1.73

**Adjusted EPS**

\$245

\$350M

13.3%

\$2.63B

4%

**2005**

**Actual**

12-22%

\$275-300M

**Free Cash Flow**

20-23%

140-190 bps

\$420-430M

14.7-15.2%

**Adj. Operating Income**

*% of Revenue*

7-9%

\$2.81-2.86B

5-6%

**Revenue**

*Organic Growth*

**YOY**

**Change**

**2006**

**Goal**

2006 Financial Goals

*Continuing financial momentum in 2006*

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

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2005-2006 Adjusted EPS Bridge

**2006**

**Guidance**

**2005**

**Actual**

**Inflation**

**Below  
the Line**

**Productivity**

*Balanced contribution from growth and productivity*

**Revenue  
Growth**

**\$1.47**

**(\$0.24)**

**(\$0.08)**

**\$0.32-0.36**

**\$0.20-0.22**

**\$1.68-1.73**

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

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Balance Sheet Leverage

*Ample room to make additional cash acquisitions*

**1.3X**

**16%**

**\$2,874**

**(\$249)**

**\$560**

**\$311**

**Q1 2006**

**(\$304)**

**\$271**

**Net Cash (Debt)**

**18%**

**8%**

**Total Debt/Capitalization**

**1.5X**

**0.8X**

**Total Debt/Adjusted EBITDA (LTM)\***

**Leverage**

**\$2,793**

**\$2,666**

**Shareholder s Equity**

**\$599**

**\$241**

**Total Debt**

**\$295**

**\$512**

**Total Cash & Equivalents**

**2005**

**2004**

(\$ in millions)

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

\*Adjusted EBITDA equals adjusted operating income excluding depreciation.

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2007 Outlook (Thermo Fisher Scientific)

\$2.27-2.37

34-38%

**Adjusted EPS**

*YOY Growth*

Over \$1B

\$1.5-1.6B

17%

\$9.2-9.3B

**2007**

**Operating Cash Flow**

**Adjusted Operating Income**

*% of Revenue*

**Revenue**

*Exceptional adjusted EPS growth  
and compelling cash flow*

Note: Above items include the effect of stock option expense.

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Longer-term Financial Goals  
(Thermo Fisher Scientific)

**18-20%**

**Adjusted EPS Growth**

**19-20%**

**6-8%**

**Adjusted Operating Margin**

**Organic Revenue Growth**

*Tremendous upside for shareholders*

Note: Above items include the effect of stock option expense.

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**Driving Margin Improvement**

**Marc N. Casper**

*Senior Vice President*

2006 Annual Investor Conference

May 24, 2006

Driving Margin Improvement

*Goal: Continue to expand adjusted operating margins  
by approximately 150 basis points per annum*

**Adjusted  
Operating Margins**

**Adjusted Operating Margin  
Expansion Last 4 Quarters**

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in

Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1

2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

**14.7**

**15.2%**

**47**

*~150 basis  
points  
margin*

*expansion  
per year*

Driving Margin Improvement

**Volume**

**Leverage**

**Price**

**Productivity**

**Acquisition**

**Integration**

**0**

**150**

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Driving Margin Improvement

Driving organic growth

- *Vitality Index & new products*
- *Leading commercial capabilities*
- *Attractive customer base*

Price

PPI driving productivity

Acquisition integrations

- *Niton*
- *Kendro*

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Driving Organic Growth:  
Vitality & New Products

*New products are a key growth driver*

**LTQ Orbitrap  
Mass Spec**

**15%**

**20%**

**23%**

**Vitality Index**

**25%**

**Darwin LIMS  
Software**

**iCAP 6500**

**Pittcon**

**Gold**

**2006**

**Sorvall RC6**

**NITON  
Analyzer**

**Mercury**

**Freedom  
System**

**Percent**

Percent of product revenue from new  
products introduced in the last two  
years

\$160 million R&D investment

**50**

Worldwide presence

Direct & indirect  
channels

## **Services**

*Powerful combination driving accelerated growth!*

Driving Organic Growth:  
Leading Commercial Capabilities

**4,000 Employees Working With Customers Every Day**

## **Global Reach**

### **Team Selling**

Key accounts

Product &  
applications  
specialists

Educating customers

Extended lab services

Asset management

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Driving Organic Growth:  
Leading Commercial Capabilities

**World-Class Customer Demo Centers**

Paris

London

West Palm Beach, FL

Tokyo

Frankfurt

Somerset, NJ

Shanghai

Bremen

San Jose, CA

Mumbai

Breda

Madison, WI

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Driving Organic Growth:  
Shanghai Customer Demo Center

**Shanghai Demo Center**

Working Demo Labs for all product lines

Thermo China headquarters

Shanghai sales office

40,000 square feet

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Driving Organic Growth:  
Attractive Customer Segments

**Drug Discovery**

**Forensic Science**

**Clinical Diagnostics**

**Environmental Testing**

**Safety & Security**

**Quality Control**

*Advanced technologies tackling  
tough analytical challenges*

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Driving Organic Growth:  
At Work With Our Customers

*Searching for therapies for  
cancer, diabetes, & mental illness*

**Broad Institute**

Research collaboration of MIT & Harvard

230,000 sq/ft laboratory facility

Early engagement with Thermo

Provided a suite of equipment &  
instruments, including

- *Thermal cyclers*
- *Centrifuges*
- *Incubators*
- *Reagent dispensers*
- *LTQ FT mass spectrometer*
- *LTQ Orbitrap mass spectrometer*

*a program that not  
only saves us money,  
but simultaneously  
improves the quality of  
our service.*

Ed Dondero, Biogen Idec  
*Director of Facilities*

### **Optimizing Laboratory Assets**

Driving Organic Growth:  
At Work With Our Customers

#### **Customer Challenge**

Reduce equipment maintenance costs:  
1,000 instruments from 70 different vendors

Consolidate \$1 million+ in service contracts

Obtain an accurate asset inventory

Maintain existing quality of service

#### **Results**

4 year savings of \$1.3M

Annual savings >15%

Reduced administrative burden

Redeployment of idle assets

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Driving Margin Improvement

Driving organic growth

- *Vitality Index & new products*
- *Leading commercial capabilities*
- *Attractive customer base*

Price

PPI driving productivity

Acquisition integrations

- *Niton*
- *Kendro*

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Driving Margin Improvement :  
Pricing Discipline at Thermo

PPI best practice sharing

Incentive compensation  
alignment at all levels

Discount approval authority

Training

Quick market intelligence

**Thermo Implementation**

Continuous learning

Reward success

Execution discipline

Positioning our solutions

Competitive dynamics

**Focus**

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Driving Margin Improvement:  
Productivity - Practical Process Improvement

**Wireless  
Communication**

Cross-company team

\$500k savings

***\$30M impact per year from PPI***

**Customer Order  
Acknowledgement**

Compliance test  
business unit

Process reduced from  
17 days to 12 minutes

**Lean Keys in  
Asheville Factory**

\$10M inventory reduction

\$2M lower labor cost

PPI continuous-improvement methodology utilized by Thermo

4500 employees trained, 40% of work force

Delivers 2-3% savings impact per annum

Representative teams:

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Driving Margin Improvement:  
Productivity - Sourcing

**Levers**

**Annual Sourcing**

**Savings**

**Components Sourced  
from Low-Cost Region**

\$ Sourced Components

\$ Savings Target

\$ Millions

\$ Millions

Supplier negotiation

Spend aggregation

Alternate source

Value engineering

Make vs. Buy

Low-cost region sourcing

**60**

Driving Margin Improvement:  
Productivity From Low Cost Region Production

*30 - 35% cost-reduction opportunity  
leveraging China capabilities*

*\*Assumes 40% COGS at 35% savings*

**China: Annual Production Run Rate**

\$ China Production

\$ Savings Target

**\$ Millions**

**61**

Driving Margin Improvement

Driving organic growth

- *Vitality Index & new products*

- *Leading commercial capabilities*

- *Attractive customer base*

Price

PPI driving productivity

Acquisition integrations

- *Niton*

- *Kendro*

**62**

Driving Margin Improvement:  
Acquisition Integration

Supports growing demand for  
field applications

First-line RoHS screening

Simple point & shoot operation

Acquired March 2005

Handheld elemental X-Ray  
analysis

\$36M revenue in 2004:  
12% adjusted operating margin

\$65M revenue last 4 quarters:  
19% adjusted operating margin\*

### **NITON Case Study**

#### **Enabling RoHS Compliance**

*\*\*RoHS Restriction of Hazardous Substances*

*\*13% on a GAAP basis, including 6% of amortization of acquired intangibles*

\*\*

Driving Margin Improvement:  
Acquisition Integration

\$833M acquisition

\$365M revenue

Closed May 2005

Extends key lines of  
lab equipment

Sorvall, Heraeus, Revco

**Kendro Case Study**

**64**

Driving Margin Improvement:  
Acquisition Integration

**Plan**

**Status / Accomplishments**

*Powerful world-scale lab-equipment platform to deliver accelerated growth and margin expansion*

Increased resources to bring solutions to our major-market customers

Integrated commercial organization & offices with one face to customer

Created new R&D centers of excellence to leverage expertise & accelerate product vitality

PPI fully introduced employees trained and driving rapid operating improvements

Headcount reduced by 200

4 manufacturing sites consolidated

Rapid integration of all functions, processes & product lines within one clear organization

Technology excellence

Productivity

Operations & business integration

Key account focus

Commercial integration

**Kendro Case Study Results One Year Later**

**65**

Driving Margin Improvement:  
Acquisition Integration

Achieved

Exceeded 10¢ accretion in  
first 12 months

10¢ accretive to adjusted EPS  
in first full year

On Track

Realized \$12M in first 12 months

At \$16M run rate

\$30M synergies by year 3

### **Status / Accomplishments**

#### **Plan**

#### **Kendro Case Study Results One Year Later**

Note: For historical periods, all items identified as adjusted as well as free cash flow are reconciled to the most directly comparable GAAP measures in Appendix A, which is also available on the company's website, [www.thermo.com](http://www.thermo.com), in the Investors section under Reconciliation of Financial Information Q1 2006. Adjusted items also include pro-forma stock option expense for periods through and including 2005 as if it had been required. 2006 numbers include the effect of stock option expense.

Summary

Note: Above items include the effect of stock option expense.

Thermo delivering significant expansion of adjusted operating margins

Continue ~150 point margin expansion per annum

Margin expansion driven by:

- *Volume leverage from organic growth*
- *Price*
- *Productivity initiatives*
- *Acquisition integration impact*



**New Product Momentum**

**Ian D. Jardine Ph.D.**

*Vice President Global R&D*

2006 Annual Investor Conference

May 24, 2006

Celebrating 50 Years of Innovation

**Early Emissions  
Testing Technology**

**Leading-edge Mercury  
Emissions Monitoring**

**Early Mechanical  
Heart Development**

**Advanced  
Biomarker Research**

**Then**

**Now**

*Continually enabling the  
advancement of science*

**George N. Hatsopoulos**

*Thermo Electron founder*

**69**

New Product Momentum

*Thermo is recognized as innovation leader*

**15%**

**20%**

**23%**

**25%**

Vitality Index

**Percent**

Percent of product revenue from new products  
introduced in the last 2 years

\$160 million R&D Investment

**70**

Continually Launching High Impact Products

*Off-the-shelf  
LIMS Solution*

*Award Winning  
Innovation*

*Breakthrough  
Sensitivity*

**Darwin LIMS**

**LTQ Orbitrap**

**iCAP Series**

**Informatics**

**Mass Spectrometry**

**Elemental Analysis**

**\$200 Million  
Market**

**\$200 Million  
Hybrid Market**

**\$250 Million  
Market**

TM

TM

TM

**71**

Winning LIMS Solution

For pharmaceutical quality control & R&D

Off-the-shelf LIMS with complete range of standard features reduces total cost of ownership

Enables rapid deployment across multiple sites with resulting large productivity gains

*Powerful new LIMS solution to grow our leading market share*

DARWIN Laboratory Information Management System (LIMS)

**\$250  
Million  
Market**

**DARWIN**

**LIMS**

TM

**72**

Next Generation Elemental Analyzer

*Innovative optics & breakthrough camera technology  
delivers the highest performance in the smallest footprint*

iCAP 6000 Series ICP-OE Elemental Analyzer

***CID86  
Camera***

**\$200 Million  
Market**

TM

TM

Delivers up to 5X gain in performance

*- Improved sensitivity for key  
environmental elements such as Arsenic and  
Selenium*

Dramatically cuts purge gas consumption

*- Saves \$ thousands in annual operating  
costs*

Compact and easy to use

*- Improves lab productivity*

**73**

LTQ Orbitrap Hybrid Mass Spectrometer

Mass Spectrometry Breakthrough

*Phenomenal customer reception!*

**\$200 Million  
Hybrid Market**

TM

Mass Spectrometers

*- Detect **and** conclusively identify  
compounds very accurately and at very  
high sensitivity*

First completely NEW mass spectrometer  
analyzer in more than 20 years

*- Ideal for small-molecule (e.g. drugs)  
and peptide/protein identification and  
quantitation*

Orbitrap is 5X TOF in performance

*- Resolution, mass accuracy, sensitivity,  
speed, and dynamic range*

**74**

Enabling Customers

**Dr. Steven Carr, BROAD Institute**

MIT/Harvard Labs, Cambridge MA

**Proteomics & Biomarker Discovery**

**Video Interview**

**75**



**Sample  
Preparation**

New Product Momentum:  
Pittcon Introductions March 06

**Services**

**Sample  
Analysis**

**iCAP ICP-OE**

**NIR analyzers**

**Detectors for  
Surveyor  
Plus LC**

**DFS High-res  
GC-MS**

**LTQ Orbitrap  
mass spectrometer**

**Finnigan LXQ  
mass spec**

**Evolution 600 UV-Vis  
Spectrophotometer**

**NITON  
elemental  
analyzers**

LIFECYCLE Asset Management

Biorepository Services

**Data  
Interpretation  
& Storage**

**Sorvall RC6 Plus  
Super-speed  
centrifuge**

**Novus  
Finnpipette**

**Espresso  
Personal  
centrifuge**

**Sample Manager  
NET & COTS**

**Darwin LIMS**

**OMNIC 7.3**

**QuickQuan**

**Navigator**

**AA iSQ  
module**

**Appliskan  
multimode  
microplate  
reader**

**NESLAB  
ThermoFlex  
temperature  
control**

**HAAKE  
DynaMax  
temperature  
control**

**76**

HPLC: Separation - Detection - Quantitation

Solvent  
reservoir

Pump

Injector

Column

UV *or* Mass  
Spectrometer  
Detector

Data  
recorder

1. Inject sample *mixture*
2. Separate into individual *components*
3. Detect and report

**HPLC Hardware Market >\$1 Billion**

**Columns Market >\$0.5 Billion**

**MS Market for HPLC >\$1 Billion**

77

Introducing: Accela High Speed UHPLC

*More flexibility than any competitive system!*

**Challenge: Demand for Faster Chromatography**

*Launching at American Society for  
Mass Spectrometry Conference &  
Exhibit in Seattle starting May 28th*

TM

Fastest HPLC/UHPLC

*- Unique pump and system design*

Two HPLC systems in one

*- Designed to run at conventional  
(5,000 psi) **and** very high pressures  
(15,000 psi)*

Hypersil Gold 1.9 mm column

*- Superb peak symmetry and resolution*

**78**

**Column:**

A. 150 x 4.6 mm 5.0 um C18  
Hypersil Gold

B. 50 x 2.1 mm 1.9 u m C18  
Hypersil Gold

**Flow rate:** A. 1000 ul/min

B. 700 u l/mi

**Pressure:** A. 155 bar

B. 380 bar

**Detection:** LTQ Orbitrap

Resolution : 30,000

**Analytes** -Steroids

1. Testosterone
2. 19-Nortestosterone
3. 17- -Methyltestosterone
4. 1-Dehydrotestosterone

Accela UHPLC + Hypersil Column + Orbitrap MS

0  
2  
4  
6  
8  
10  
12  
14

Time (min)

0

10

20

30

40

50

60

70

80

90

100

*Conventional  
12 Minutes*

*High Speed  
2 Minutes*

1

1

2

3

4

2

3

4

TM

**79**

*Even More Performance*

*FAIMS Triple Quad*

**LTQ FT  
Ultra**

**TSQ QUANTUM  
with FAIMS**

*Environmental Triple Quad*

*New Linear Ion Trap*

**TSQ Quantum Access**

**LTQ XL with ETD**

American Society for Mass Spectrometry  
Conference and Exhibit - New Product Preview

Seattle

May 28<sup>th</sup>

to

June 2<sup>nd</sup>

TM

TM

TM

TM

**80**

Customer Recognition for Mass Spec Excellence

*Great customer feedback*

**Thermo**

**Thermo**

**Ease-of-Use**

**Thermo**

**Applied Biosystems**

**Technical Specs**

*2005 Top Supplier*

*2004 Top Supplier*

Category

**Thermo**

**Thermo**

**Waters**

**Thermo**

**Thermo**

**Instrument Reliability**

**Thermo**

**Customer Service**

**Waters**

**Software & Data Handling**

**Thermo**

**Price/Value**

*Source: ASMS 04 & 05 Surveys*

American Society of Mass Spectrometry Survey





Introducing: Powerful New Software at ASMS

*QuickQuan*

MALDI Tissue Imaging

Top Down Proteomics

Automated LC-MS/MS

Drug Discovery

Biomarker Differential Analysis

Auto MS<sup>n</sup> Structural Analysis

High Resolution/Accurate Mass

TM

**82**

Proteomics Global Protein Identification

Lysate

*Protein fractionation*

*Protein depletion*

*Protease digestion*

*Peptide selection*

*Peptide separation*

Protein mixture

Peptide mixture

Peptides  
for MS/MS

Cells or Tissue

*Cellular  
fractionation*

Protein Identification

**83**

**Controls**

**Disease or**

**Treated**

Automatically compares all LC-MS/MS data  
in **disease/treated** versus **controls**

Picks out and identifies those proteins which  
have increased or decreased in concentration

SIEVE - Global Differential Analysis Software

**Controls**

**Disease or**

**Treated**

LC-MS/MS

**84**

SIEVE Auto Differential Expression Software

**Gigabyte Data Sets of  
High Resolution/  
Accurate Mass  
LC-MS/MS Information**

Time

MS/MS

Mass

Intensity

**Multi-experiment  
Quantitation of  
Thousands of  
Specific Proteins**

*Automating the process of biomarker discovery*

*Months of data analysis in minutes!*

85

A Bright Future:  
Enabling Integrated Lab Workflow Solutions

**Data**

**Interpretation  
& Storage**

**Sample**

**Preparation**

**Sample**

**Analysis**

*Complementary  
Reagents & Consumables*

**Xcalibur**

*Proteomics Research Application*

**Cells or  
Tissue**

**Biomarker  
Identified**

**Or Measured**

Fisher

Thermo

**86**

## Cellular Protein Network Mapping Workflow

### Cellular Location

#### by Color

*Protein Interactions* are the basis for almost all cellular activity

Understanding of *Interaction Pathways* in Networks illuminates:

- *Cell Division (Growth)*

- *Cell Differentiation (Stem Cells)*

- *All Cancers*

- *Immunity*

- *Metabolic Disease*

- *Inflammatory Disease*

- *Biomarkers of Disease*

- *Drug Action*

*and much more*

Cellular Protein Network Mapping Workflow

Key: **Blue** = Fisher

**Red** = Thermo

**88**



Cellular Protein Network Mapping Workflow

Key: **Blue** = Fisher

**Red** = Thermo

**89**

Cellular Protein Network Mapping Workflow

Key: **Blue** = Fisher

**Red** = Thermo

**90**

Cellular Protein Network Mapping Workflow

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Key: **Blue** = Fisher

**Red** = Thermo

**91**

Summary

Unparalleled track record of innovation

2006 another milestone year

Future is even brighter as Thermo Fisher Scientific

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