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PERKINELMER INC
Form SC TO-C
October 29, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
(RULE 13e-4)
TENDER OFFER STATEMENT
UNDER
SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

PERKINELMER, INC.
(Name of Subject Company (Issuer) and Filing Person (Offeror))

ZERO COUPON CONVERTIBLE DEBENTURES DUE AUGUST 7, 2020
(Title of Class of Securities)

714046 AA 7
(CUSIP Number of Class of Securities)

Terrance L. Carlson, Esq.
Senior Vice President and General Counsel
PerkinElmer, Inc.
45 William Street
Wellesley, MA 02481
(781) 237-5100
(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing person)

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CALCULATION OF FILING FEE

TRANSACTION VALUATION	AMOUNT OF FILING FEE
Not applicable*	Not applicable*

* A filing fee is not required in connection with this filing as it relates solely to preliminary communications made before the commencement of a

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tender offer.

- [] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not applicable. Filing party: Not applicable.
Form or Registration No.: Not applicable. Date filed: Not applicable.

- [X] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- [] third party tender offer subject to Rule 14d-1.
[X] issuer tender offer subject to Rule 13e-4.
[] going-private transaction subject to Rule 13e-3.
[] amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: []

This Schedule TO relates solely to preliminary communications made before the commencement of a tender offer.

IMPORTANT ADDITIONAL INFORMATION ABOUT PERKINELMER, INC.'S OFFER TO PURCHASE ITS OUTSTANDING ZERO COUPON CONVERTIBLE DEBENTURES WILL BE FILED WITH THE SEC.

PerkinElmer, Inc. ("PerkinElmer") plans to file with the Securities and Exchange Commission ("SEC") a Schedule TO in connection with its intended offer to purchase its outstanding zero coupon convertible debentures. The Schedule TO will contain important information about PerkinElmer, the zero coupon convertible debentures, PerkinElmer's offer to purchase the debentures and related matters. Investors and security holders are urged to read the Schedule TO carefully when it becomes available. Investors and security holders will be able to obtain free copies of the Schedule TO and other documents filed with the SEC by PerkinElmer through the web site maintained by the SEC at www.sec.gov. In addition, investors and security holders will be able to obtain free copies of the Schedule TO from PerkinElmer by contacting PerkinElmer Investor Relations at 781-431-4306.

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Schedule TO filing contains "forward-looking" statements. Any statements contained in this Schedule TO that relate to prospective events or developments are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "will" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including the possibility that the proposed new financing is not consummated, including without limitation as a result of an inability to satisfy the conditions to Merrill Lynch's obligations set forth in the commitment agreement, risks related to PerkinElmer's debt levels, a downturn in PerkinElmer's customers' markets, PerkinElmer's failure to introduce new products in a timely manner,

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risks related to PerkinElmer's international operations, PerkinElmer's inability to integrate acquired businesses into PerkinElmer's existing business, competition and other factors which are described under the caption "Forward-Looking Information and Factors Affecting Future Performance" in PerkinElmer's quarterly report on Form 10-Q for the quarter ended June 30, 2002.

On October 29, 2002, PerkinElmer issued the following press release:

PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS

- GAAP EPS OF \$0.08; CASH EPS OF \$0.11 FROM CONTINUING OPERATIONS
- FREE CASH FLOW OF \$69 MILLION FROM CONTINUING OPERATIONS
- DEBT REDUCED BY \$114 MILLION
- COMMITMENT RECEIVED FOR \$445 MILLION FINANCING

BOSTON - PerkinElmer, Inc. (NYSE: PKI) today announced third quarter 2002 GAAP earnings per share from continuing operations of \$0.08 on revenue of \$366 million. For the same period last year, GAAP earnings per share from continuing operations were \$0.33 on revenue of \$348 million. Cash earnings per share from continuing operations (which exclude the amortization of intangibles) for the third quarter of 2002 were \$0.11, including a \$0.04 per share net benefit from the early retirement of debt and the reclassification of the Fluid Sciences business unit into continuing operations. This compares to cash earnings per share of \$0.40 for the prior year period (which exclude the amortization of intangibles, goodwill and non-recurring items). Net earnings per share from total continued and discontinued operations for the third quarter of 2002 were \$0.06 on a GAAP basis and \$0.09 on a cash basis.

Revenue from continuing operations for the third quarter of 2002 was up 5% over the same period last year. Third quarter organic revenue, which excludes the effects of acquisitions and divestitures and the impact of foreign exchange, declined 5% from the same period last year. PerkinElmer reports organic revenue to provide investors with a consistent basis for comparing the performance of its operations over different periods.

As a result of market conditions, the company decided to retain its Fluid Sciences business unit, which provides sealing solutions and advanced fluid containment technologies to the aerospace, semiconductor and power generation markets. The company reclassified the results of its Fluid Sciences business unit into continuing operations. All financial data in this press release, including data for prior periods, have been adjusted to give effect to the reclassification of the results of the Fluid Sciences business unit into continuing operations.

In addition, the company today announced the combination of its Life Sciences and Analytical Instruments business units into a new integrated business named Life and Analytical Sciences. The new business will leverage the strengths of the respective sales,

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PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS

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service, and R&D organizations along with the operational scale to better serve customers. Peter B. Coggins, PhD., formerly president of PerkinElmer Life Sciences, will serve as president of the organization.

"An integrated Life and Analytical Sciences organization will enable PerkinElmer to provide a single, unified face to our customers in the biopharmaceutical and clinical diagnostics markets, as well as bring greater resources to our analytical customers," said Gregory L. Summe, chairman and CEO of PerkinElmer, Inc.

The company also announced that it has received a commitment from Merrill Lynch Capital Corporation to provide a senior secured credit facility of up to \$445 million, including a revolving credit facility of \$100 million. The company intends to use borrowings under these facilities to repay existing debt.

Merrill Lynch's commitment for the new financing is contingent on completion of confirmatory due diligence, final documentation, issuance by PerkinElmer of \$225 million of new subordinated debt securities, and other customary conditions.

Free cash flow was \$69 million in the third quarter. During the third quarter the company retired \$114 million of debt. At the end of the quarter, PerkinElmer had outstanding indebtedness of \$592 million and cash and cash equivalents of \$98 million.

"Our strong cash flow from operations and working capital improvement strengthened our balance sheet during the quarter. We believe that the third quarter debt retirement, together with the anticipated financing from Merrill Lynch, will relieve some of the concerns about our near term debt maturities," said Summe.

FINANCIAL OVERVIEW BY SEGMENT:

LIFE SCIENCES reported revenue of \$118 million for the quarter, up 57% over the third quarter of 2001, due to the inclusion of Packard BioScience. Organically, revenue declined 7%. Double-digit growth in genetic screening, and growth in reagents and service sales was offset by weakness in sales of instrumentation to large pharmaceutical customers. During the quarter, the business unit introduced the SmartStation(TM) ultra high throughput screening integrated platform to provide integrated assay development, secondary screening, and ADME/Tox solutions for pharmaceutical and biotech customers. The unit's SNP detection system, the AcycloPrime(TM)-FP, was voted "Product of the Year" by readers of Genome Technology magazine. GAAP operating margin for the quarter of 4% and cash operating

PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS

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margin of 9% were down year-over-year reflecting the impact of lower volume and investments in sales and marketing.

OPTOELECTRONICS reported revenue of \$84 million, down 7% from the same quarter last year on a reported basis and down 3% on an organic basis, reflecting weakness in lighting end markets, somewhat offset by growth in sales of biomedical components. The unit shipped its first Digital Angiography Detectors for customers in the biomedical market during the quarter. It also showcased

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several new technologies that deliver high-performance flash systems, and a new family of Cermax Xenon Short Arc Lamps, which enable high-intensity light for medical applications. GAAP operating margin for the quarter of 7%, and cash operating margin of 8%, were down year-over-year due to unabsorbed overhead resulting from the low revenue base.

ANALYTICAL INSTRUMENTS reported revenue of \$115 million for the quarter, a decline of 12% from the same period in 2001 on a reported basis and down 5% on an organic basis. The decline was driven by weak instrument sales. During the quarter, the unit introduced the Optima(TM)4300V, an ICP-OES spectrometer featuring a vertically aligned torch, the AAnalyst(TM)200 atomic absorption spectrometer, and the Clarus(TM)500 gas chromatograph. Scientific Computing and Instrumentation magazine readers selected PerkinElmer Instruments' AutoSystem XL(TM)GC as the Chromatography System 2002 Readers' Choice Award Winner. PerkinElmer Instruments was also voted as a Readers' Choice finalist in the areas of chromatography data and spectroscopy systems for its TotalChrom(TM) Workstation Chromatography Data System and Spectrum(TM) Spotlight 300 IR Imaging System, respectively. GAAP operating margin for the quarter of 4%, and cash operating margin of 5% were down year-over-year due to lower volume and competitive pricing pressure.

FLUID SCIENCES reported revenue of \$49 million for the quarter, a 7% decline from the same period in 2001 on a reported basis and a 4% organic decline, reflecting weakness in the aerospace market. During the quarter, the unit announced that it had been selected by Airbus to develop and supply the advanced high-pressure hydraulic accumulators for the A380 aircraft. PerkinElmer's high-pressure hydraulic accumulators use welded metal bellows technology to eliminate elastomeric separators that limit life on other types of accumulators. GAAP operating margin for the quarter of 11%, and cash operating margin of 12% declined year-over-year as a result of lower volumes.

"During the quarter each of our businesses continued to deliver a steady pipeline of application-focused, new products and improve their operational processes," said Summe. "While our end markets remain challenging, we believe the company will continue to make significant progress in driving growth in earnings and cash flow."

PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS
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For the third quarter of 2002, cash operating margins from continuing operations described above exclude \$5.5 million, \$0.3 million, \$1.1 million and \$0.2 million of intangibles amortization for Life Sciences, Optoelectronics, Analytical Instruments, and Fluid Sciences, respectively.

In addition to reporting GAAP results, PerkinElmer reports cash earnings per share (excluding amortization of intangibles and goodwill) to provide investors with a measure of business performance comparable to that used by other companies in similar industries and to eliminate the impact of the implementation of FASB no. 142 on period-to-period comparisons. Amortization of intangibles, other than goodwill, was \$0.03 per share for the third quarter of 2002 and \$0.02 per share for the third quarter of 2001. Amortization of goodwill was \$0.06 per share for the third quarter of 2001. In accordance with FASB no. 142, PerkinElmer ceased amortizing goodwill beginning with the 2002 fiscal year.

The company will discuss the third quarter 2002 results in a conference call on Tuesday, October 29, 2002, at 10:00 a.m. Eastern Time (ET). To listen to this call live, please tune into the webcast via www.perkinelmer.com. A playback of this conference call will be available from 1:00 p.m. ET, Tuesday, October 29,

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2002, until 11:59 p.m. ET, Monday, November 4, 2002. The playback phone number is 719-457-0820 and the code number is 467644.

FACTORS AFFECTING FUTURE PERFORMANCE

This press release contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements contained in this press release that relate to prospective events or developments are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "will" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including the possibility that the proposed new financing is not consummated, including without limitation as a result of an inability to satisfy the conditions to Merrill Lynch's obligations set forth in the commitment agreement, risks related to our debt levels, a downturn in our customers' markets, our failure to introduce new products in a timely manner, risks related to our international operations, our inability to integrate acquired businesses into our existing business, competition and other factors which we describe under the caption "Forward-Looking Information and Factors Affecting Future Performance" in our quarterly report on Form 10-Q for the quarter ended June 30, 2002. We disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

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PerkinElmer, Inc. is a global technology leader focused in the following businesses - Life Sciences, Optoelectronics, Analytical Instruments, and Fluid Sciences. Combining operational excellence and technology expertise with an intimate understanding of our customers' needs, PerkinElmer creates innovative solutions - backed by unparalleled service and support - for customers in health sciences, semiconductor, aerospace, and other markets whose applications demand precision and speed. The company operates in more than 125 countries, and is a component of the S&P 500 Index. Additional information is available through www.perkinelmer.com or 1-877-PKI-NYSE.

For further information:

Investor Contact:

Media Contact:

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- more -

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PERKINELMER, INC. AND SUBSIDIARIES
GAAP INCOME STATEMENTS

(IN THOUSANDS EXCEPT PER SHARE DATA)	THREE MONTHS ENDED	
	Sept. 29, 2002	SEPT. 30, 2001
SALES	\$ 366,011	\$ 348,322
Cost of Sales	219,256	192,649
Research and Development Expenses	20,505	18,488
Selling, General and Administrative Expenses	109,556	86,998
Gains on dispositions and restructuring charges, net	--	(2,500)
OPERATING INCOME FROM CONTINUING OPERATIONS	16,694	52,687
Other Expense, Net	4,731	4,486
Income From Continuing Operations Before Income Taxes	11,963	48,201
Provision for Income Taxes	2,213	14,215
NET INCOME FROM CONTINUING OPERATIONS	9,750	33,986
Income From Discontinued Operations, Net of Income Tax	(2,604)	(2,767)
Gain on Disposition of Discontinued Operations, Net of Income Tax	--	--
NET INCOME BEFORE EFFECT OF ACCOUNTING CHANGE	7,146	31,219
Effect of Accounting Change, Net of Income Tax	--	--
NET INCOME (LOSS)	\$ 7,146	\$ 31,219

Diluted Earnings Per Share:

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CONTINUING OPERATIONS	\$ 0.08	\$ 0.33
Income From Discontinued Operations, Net of Income Tax	(0.02)	(0.03)
Gain on Disposition of Discontinued Operations, Net of Income Tax	--	--
	-----	-----
NET INCOME BEFORE EFFECT OF ACCOUNTING CHANGE	0.06	0.30
Effect of Accounting Change, Net of Income Tax	--	--
	-----	-----
NET INCOME (LOSS)	\$ 0.06	\$ 0.30
	=====	=====
Weighted Average Diluted Shares of Common Stock Outstanding	126,775	104,341

PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS
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PERKINELMER, INC. AND SUBSIDIARIES
ADJUSTED INCOME STATEMENTS
EXCLUDES GOODWILL/INTANGIBLES AMORTIZATION, GAINS,
RESTRUCTURING AND OTHER NONRECURRING ITEMS

(IN THOUSANDS EXCEPT PER SHARE DATA)	THREE MONTHS ENDED	
	SEPT. 29, 2002	SEPT. 30, 2001
	-----	-----
SALES	\$ 366,011	\$ 348,322
Cost of Sales	219,256	189,174
Research and Development Expenses	20,505	18,488
Selling, General and Administrative Expenses	102,436	75,025
	-----	-----
OPERATING INCOME FROM CONTINUING OPERATIONS	23,814	65,635
Other Expense, Net	4,731	7,875
	-----	-----
Income From Continuing Operations Before Income Taxes	19,083	57,760
Provision for Income Taxes	4,876	16,105
	-----	-----
NET INCOME FROM CONTINUING OPERATIONS	14,207	41,655
Income From Discontinued Operations, Net of Income Tax	(2,604)	(2,767)
Gain on Disposition of Discontinued Operations, Net of Income Tax	--	--
	-----	-----
NET INCOME	\$ 11,603	\$ 38,888
	=====	=====
Diluted Earnings Per Share:		
NET INCOME FROM CONTINUING OPERATIONS	\$ 0.11	\$ 0.40

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Income From Discontinued Operations, Net of Income Tax	(0.02)	(0.03)
Gain on Disposition of Discontinued Operations, Net of Income Tax	--	--
NET INCOME	\$ 0.09	\$ 0.37
Weighted Average Diluted Shares of Common Stock Outstanding	126,775	104,341

PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS
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PERKINELMER, INC. AND SUBSIDIARIES
SALES AND OPERATING PROFIT
BEFORE GOODWILL/ INTANGIBLES AMORTIZATION, GAINS,
RESTRUCTURING AND UNUSUAL ITEMS

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(IN THOUSANDS)		3RD QUARTER		NINE MONTHS	
		2002	2001	2002	2001
LIFE SCIENCES	Sales	\$ 117,729	\$ 74,764	\$ 363,523	\$ 221,6
	OP\$	10,510	14,948	36,414	40,7
	OP%	8.9%	20.0%	10.0%	18.
OPTOELECTRONICS	Sales	84,349	90,657	236,472	295,1
	OP\$	6,476	21,167	10,330	58,9
	OP%	7.7%	23.3%	4.4%	20.
ANALYTICAL INSTRUMENTS	Sales	115,138	130,187	354,551	421,2
	OP\$	5,653	16,704	18,518	50,8
	OP%	4.9%	12.8%	5.2%	12.
FLUID SCIENCES	Sales	48,795	52,714	140,854	181,3
	OP\$	5,647	15,062	13,315	43,3
	OP%	11.6%	28.6%	9.5%	23.
OTHER	OP\$	(4,472)	(2,246)	(12,118)	(8,3
CONTINUING OPERATIONS	Sales	\$ 366,011	\$ 348,322	\$1,095,400	\$1,119,3
	OP\$	\$ 23,814	\$ 65,635	\$ 66,459	\$ 185,4
	OP%	6.5%	18.8%	6.1%	16.

Note: Nonrecurring items represent income and expenses associated with acquisition, restructuring, divestiture or other unusual items which are not expected to have an impact on ongoing operations.

PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS

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PERKINELMER, INC. AND SUBSIDIARIES
RECONCILIATION
ADJUSTED NET INCOME TO REPORTED NET INCOME

(IN THOUSANDS)	FOR THE THREE MONTHS ENDED		SEP
	SEPTEMBER 29, 2002	SEPTEMBER 30, 2001	
ADJUSTED INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	\$ 19,083	\$ 57,760	\$
Nonrecurring Items:			
Acquisition-related Charges	--	(1,390)	
Gains on Dispositions, net	--	5,390	
Restructuring Actions	--	500	
Integration and Reorganization-related Charges	--	(3,917)	
Net Nonrecurring Items	--	583	
Inventory Adjustment	--	--	
Goodwill and Intangibles Amortization	(7,120)	(10,142)	
Income (Loss) From Continuing Operations Before Income Taxes	11,963	48,201	
Provision for Income Taxes	2,213	14,215	
NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE EFFECT OF ACCOUNTING CHANGE	\$ 9,750	\$ 33,986	\$

PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS
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PERKINELMER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	SEPTEMBER 29, 2002	JUNE 30, 2002	DE
	(IN THOUSANDS)		
Current assets:			
Cash and cash equivalents	\$ 97,549	\$ 143,343	\$
Accounts receivable	294,651	309,660	
Inventories	221,536	227,173	

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Other current assets	168,457	170,904
Current assets of discontinued operations	10,212	12,046
	-----	-----
Total current assets	792,405	863,126
Property, plant and equipment:		
At cost	556,280	559,328
Accumulated depreciation	(280,006)	(273,933)
	-----	-----
Net property, plant and equipment	276,274	285,395
Investments	14,293	16,500
Intangible assets	1,446,689	1,453,867
Other assets	62,497	81,717
Long-term assets of discontinued operations	7,157	7,336
	-----	-----
Total assets	\$ 2,599,315	\$ 2,707,941
	=====	=====
Current liabilities:		
Short-term debt	\$ 153,218	\$ 100,000
Accounts payable	138,260	132,819
Accrued restructuring costs	31,970	33,902
Accrued expenses	345,697	327,916
Current liabilities of discontinued operations	3,684	5,719
	-----	-----
Total current liabilities	672,829	600,356
Long-term debt	438,792	606,537
Long-term liabilities	272,599	275,433
Long-term liabilities of discontinued operations	2,158	2,222
Commitment and contingencies		
Stockholders equity:		
Preferred stock	--	--
Common stock	145,101	145,101
Capital in excess of par value	644,188	644,218
Retained earnings	666,255	667,786
Accumulated other comprehensive loss	(45,023)	(35,794)
Cost of shares held in treasury	(197,584)	(197,918)
	-----	-----
Total stockholders' equity	1,212,937	1,223,393
	-----	-----
Total liabilities and stockholders' equity	\$ 2,599,315	\$ 2,707,941
	=====	=====

PERKINELMER REPORTS THIRD QUARTER 2002 RESULTS
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PERKINELMER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

THREE MO

SEPTEMBER 29,
2002

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OPERATING ACTIVITIES:	
Net income	\$ 7,146
Add net loss from discontinued operations	2,604

Income from continuing operations	9,750
Depreciation and amortization	19,525
Amortization of deferred debt issuance costs and accretion of discount	5,239
Gains on disposal of business, net	--
Gain on purchase of debt, net	(4,068)
Changes in assets and liabilities which provided (used) cash, excluding effects from companies purchased and divested:	
Accounts receivable	12,006
Inventories	3,973
Accounts payable	5,614
Tax refund	27,446
Restructuring	(1,768)
Accrued expenses and other	(3,330)

NET CASH PROVIDED BY (USED IN) CONTINUING OPERATIONS	74,387
NET CASH PROVIDED BY (USED IN) DISCONTINUED OPERATIONS	(3,443)

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	70,944
INVESTING ACTIVITIES:	
Capital expenditures	(5,489)
Proceeds from dispositions of businesses and sales of PP&E, net	10,284
Costs of acquisitions, net of cash acquired	(6,300)
Proceeds from sales of investments, net	858

NET CASH PROVIDED BY (USED IN) CONTINUING OPERATIONS	(647)
NET CASH PROVIDED BY (USED IN) DISCONTINUED OPERATIONS	(6)

NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(653)
FINANCING ACTIVITIES:	
Prepayment of zero coupon bonds	(84,440)
Increase (decrease) in commercial paper borrowings	--
Decrease in other debt	(27,000)
Proceeds from issuance of common stock	5,336
Purchases of common stock	--
Cash dividends	(8,842)

NET CASH PROVIDED BY (USED IN) CONTINUING OPERATIONS	(114,946)
NET CASH PROVIDED BY (USED IN) DISCONTINUED OPERATIONS	--

NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(114,946)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,139)

Decrease in Cash and Cash Equivalents	(45,794)
Cash and Cash Equivalents at Beginning of Period	143,343

Cash and Cash Equivalents at End of Period	\$ 97,549
	=====