

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

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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 not limited to, statements relating to financial projections, including revenue and pro forma EPS projections; success in acquired businesses; 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 current, but rather, are forward-looking statements with potential future circumstances and developments, in particular, information regarding the new company, including expected results of operations, financial data, future research and development, 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 could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such risks and uncertainties 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 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, 2007.

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 mea
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 other

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, prospectus and other relevant material when they become available before making any voting or investment decisions with respect to the proposed 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. Information concerning all of the participants in the solicitation will be included in the proxy statement relating to the proposed merger when it becomes available. Each of these documents is, or will be, available free of charge at the Securities and Exchange Commission's website.

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.appliedbiosystems.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

13
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

15

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

17

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:

21

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 rationalization

R&D scale

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

26

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

31

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