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BIO RAD LABORATORIES INC
Form DEFR14A
January 04, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant
Filed by a party other than the Registrant
Check the appropriate box:

Preliminary proxy statement Confidential, for Use of the Commission Only
 Definitive proxy statement (as permitted by Rule 14a-6(e)(2))
 Definitive additional materials
Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

BIO-RAD LABORATORIES, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it is determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.
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0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

BIO-RAD LABORATORIES, INC.

NOTICE OF A SPECIAL MEETING OF STOCKHOLDERS OF
BIO-RAD LABORATORIES, INC.

TO BE HELD FEBRUARY 4, 2002

To the Stockholders of Bio-Rad Laboratories, Inc.:

A special meeting of the stockholders of Bio-Rad Laboratories, Inc. ("Bio-Rad" or the "Company") will be held at the Company's corporate offices, 1000 Alfred Nobel Drive, Hercules, California 94547 on February 4, 2002, at 4:00 p.m., Pacific Time, for the following purposes:

- (1) To approve an amendment to the certificate of incorporation of the Company to increase the authorized number of shares of capital stock from 23,300,000 to 77,500,000 shares, by increasing the number of authorized shares of our Class A Common Stock from 15,000,000 shares to 50,000,000 shares, increasing the number of authorized shares of our Class B Common Stock from 6,000,000 shares to 20,000,000 shares and increasing the number of authorized shares of Preferred Stock from 2,300,000 to 7,500,000 shares;
- (2) To approve an amendment to the certificate of incorporation of the Company to reduce the par value of each of the Class A Common Stock, Class B Common Stock and Preferred Stock from \$1.00 per share to \$.0001 per share;
- (3) To approve an amendment to the certificate of incorporation of the Company to eliminate the current requirement that all elections of directors be conducted by written ballot;
- (4) To approve an amendment to the certificate of incorporation of the Company to make certain technical amendments; and
- (5) To transact such other business as may properly come before the meeting and at any adjournments or postponements thereof, including, if submitted to a vote of the stockholders, a motion to adjourn the special meeting to another time or place for the purpose of soliciting additional proxies.

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The Board of Directors of the Company has determined that each of the amendments are advisable and in your best interests and recommends that you vote "FOR" these proposals.

The Board of Directors of the Company has fixed the close of business on December 24, 2001 as the record date for the determination of the stockholders entitled to notice of and to vote at this special meeting and at any adjournments or postponements thereof. A list of such stockholders will be available for examination by any stockholder at the special meeting and at the offices of the Company, 1000 Alfred Nobel Drive, Hercules, California 94547, during ordinary business hours during the ten-day period prior to the special meeting date. The stock transfer books of the Company will not be closed.

All stockholders are invited to attend the special meeting in person, but those who are unable to do so are urged to execute and return promptly the enclosed Proxy in the provided postage-paid envelope. Since a majority of the outstanding shares of each class of common stock of the Company must be present or represented at the special meeting to transact the business matters referred to above, your promptness in returning the enclosed Proxy will be greatly appreciated. Your Proxy is revocable and will not affect your right to vote in person in the event you attend the meeting and revoke your Proxy.

By order of the Board of Directors
BIO-RAD LABORATORIES, INC.

SANFORD S. WADLER, Secretary

Hercules, California
January 2, 2002

BIO-RAD LABORATORIES, INC.

PROXY STATEMENT

FOR A SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON FEBRUARY 4, 2002

Information Regarding Proxies

The enclosed Proxy is solicited on behalf of the Board of Directors of Bio-Rad Laboratories, Inc., a Delaware corporation ("Bio-Rad" or the "Company"), in connection with a special meeting of stockholders of the Company to be held at the Company's corporate offices, 1000 Alfred Nobel Drive, Hercules, California 94547 on Monday, February 4, 2002 at 4:00 p.m., and at any adjournments or postponements thereof. The Company intends to mail copies of this Proxy Statement and the accompanying notice and Proxy Card on or about January 2, 2002 to all stockholders entitled to vote at the special meeting.

The Company will pay the cost of this Proxy solicitation. In addition to solicitation by use of the mails, proxies may be solicited from stockholders of the Company by directors, officers and employees of the Company in person or by telephone, telegram or other means of communication. Such directors, officers and employees will not be additionally compensated, but may be reimbursed for

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reasonable out-of-pocket expenses in connection with such solicitation. Arrangements will be made with brokerage houses, custodians, nominees and fiduciaries for forwarding of proxy materials to beneficial owners of shares held of record by such brokerage houses, custodians, nominees and fiduciaries and for reimbursement of their reasonable expenses incurred in connection therewith. The Company may retain Georgeson Shareholder Services, a proxy solicitation firm, to solicit proxies in connection with the special meeting at an estimated cost of \$6,000.00.

Shares for which a properly executed Proxy in the enclosed form is returned will be voted at the meeting in accordance with the directions on such Proxy. If no voting instructions are indicated with respect to one or more of the proposals, the Proxy will be voted in favor of each of the proposal(s) and to approve those other matters that may properly come before the special meeting at the discretion of the person named in the Proxy. Any Proxy may be revoked by the record owner of the shares at any time prior to its exercise by delivering to the Secretary of the Company, at 1000 Alfred Nobel Drive, Hercules, California 94547, a written revocation or a duly executed Proxy bearing a later date or by attending the meeting and voting in person. Attendance at the special meeting will not, by itself, constitute revocation of a Proxy.

Voting Securities

The securities of the Company entitled to vote at the meeting consist of shares of its Class A Common Stock and Class B Common Stock, both \$1.00 par value (collectively, "Common Stock"). At the close of business on December 24, 2001, 10,083,318 shares of Class A Common Stock and 2,413,281 shares of Class B Common Stock were issued and outstanding. Only stockholders of record at the close of business on December 24, 2001 will be entitled to notice of and to vote at the special meeting. The presence, in person or by Proxy, of the holders of a majority of the Voting Power will constitute a quorum for the transaction of business at the special meeting, provided, however, that for the first two proposals, the presence, in person or by Proxy, of the holders of a majority of the outstanding shares of the Class A Common Stock and a majority of the outstanding shares of the Class B Common Stock will constitute a quorum for the transaction of business. Each share of Class A Common Stock is entitled to one-tenth of a vote and each share of Class B Common Stock is entitled to one vote, except in the election of directors (which is not a subject of the special meeting) and any other matter requiring the vote of one or both classes of Common Stock voting separately. The sum of one-tenth the number of shares of Class A Common Stock and the number of shares of Class B Common Stock constitutes the "Voting Power" of the Company.

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The Board of Directors is not aware of any matters that might come before the meeting other than the amendments to and restatement of the certificate of incorporation described in this Proxy Statement. If, however, any other matters properly come before the special meeting, including, without limitation, if submitted to a vote of the stockholders, a motion to adjourn the special meeting to another time or place for the purpose of soliciting additional proxies, it is intended that the Proxies will be voted in accordance with the judgment of the person or persons voting such Proxies.

Under Delaware law: (1) shares represented by proxies that reflect abstentions or "broker non-votes" (i.e., shares held by a broker or nominee which are represented at the meeting, but with respect to which such broker or nominee is not empowered to vote on a particular proposal) will be counted as shares that are present and entitled to vote for purposes of determining the presence of a quorum; and (2) proxies that reflect abstentions or "broker

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non-votes" with respect to a particular proposal will have the same effect as a vote against that proposal.

There is no statutory or contractual right of appraisal or similar remedy available to those stockholders who dissent from any matter to be acted upon.

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PRINCIPAL AND MANAGEMENT STOCKHOLDERS

The following table presents certain information as of December 20, 2001 (except as noted below), with respect to Class A Common Stock and Class B Common Stock beneficially owned by: (i) any person who is known to the Company to be the beneficial owner of more than five percent of the outstanding Common Stock of either class, (ii) each director of Bio-Rad, (iii) certain executive officers of Bio-Rad, and (iv) all directors and executive officers of Bio-Rad as a group. The address for all executive officers and directors is c/o Bio-Rad Laboratories, Inc., 1000 Alfred Nobel Drive, Hercules, California 94547.

Name and, with Respect to Owner of 5% or More, Address -----	Class A Common Stock(1) -----		Class B Common S -----
	Number of Shares and Nature of Ownership(2)	Percent of Class	Number of Shares and Nature of Ownership(2) -----
Blue Raven Partners, L.P.(3)..... 1000 Alfred Nobel Drive Hercules, CA 94547	--	0.0%	2,030,027
Private Capital Management, Inc.(4)..... 3003 Tamiami Trail North Naples, FL 34103	1,165,732	11.7%	--
Bernard A. Egan..... 1900 Old Dixie Highway Fort Pierce, FL 34946	743,994	7.4%	--
Dimensional Fund Advisors, Inc.(4)..... 1299 Ocean Avenue, 11th Floor Santa Monica, CA 90401	515,075	5.2%	--
David and Alice N. Schwartz(5)(6)(9)..... Bio-Rad Laboratories, Inc. 1000 Alfred Nobel Drive Hercules, CA 94547	1,605,524	16.1%	2,226,668
Norman Schwartz(5)(7)(8)(9)..... Bio-Rad Laboratories, Inc. 1000 Alfred Nobel Drive Hercules, CA 94547	105,727	1.1%	2,044,854
Steven Schwartz(5)(7)(10)..... Bio-Rad Laboratories, Inc. 1000 Alfred Nobel Drive Hercules, CA 94547	82,450	0.8%	2,034,227
James J. Bennett (9).....	33,757	0.3%	23,727

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John Goetz (9).....	19,695	0.2%	--
Albert J. Hillman (9).....	4,454	0.0%	4,117
Philip L. Padou(9).....	--	0.0%	--
Sanford S. Wadler(9).....	28,565	0.3%	--
All directors and executive officers as a group(9) (11 persons).....	1,827,646	18.1%	2,304,582

- (1) Excludes Class A Common Stock that may be acquired on conversion of Class B Common Stock. Class B Common Stock may be converted to Class A Common Stock on a one for one basis and, if fully converted, would result in the following percentage beneficial ownership of Class A Common Stock: Blue Raven Partners 16.4%; Private Capital Management, Inc. 9.4%; Bernard A. Egan 6.0%; Dimensional Fund

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Advisors 4.1%; David and Alice N. Schwartz 30.5%; Norman Schwartz 17.3%; Steven Schwartz 17.0%; James J. Bennett 0.5%; John Goetz 0.2%; Albert J. Hillman 0.1%; Philip L. Padou 0.0%; Sanford S. Wadler 0.2%; and all directors and executive officers as a group 32.6%. Management considers any substantial conversions by the executive officers or directors listed in the table to be highly unlikely.

- (2) Except as otherwise indicated and subject to applicable community property and similar statutes, the persons listed as beneficial owners of the shares have sole voting and investment power with respect to such shares. Number of shares is based on the statements of the stockholders where not identified specifically in the stockholder register.
- (3) David Schwartz, Alice N. Schwartz, Norman Schwartz and Steven Schwartz are general partners of Blue Raven Partners, L.P., a California limited partnership (the "Partnership"), and, as such, share voting and dispositive power over the Class B Common Stock held by the Partnership.
- (4) For Private Capital Management, Inc. based solely on an amended Schedule 13G filed on February 14, 2001 with the Securities and Exchange Commission pursuant to Rule 13d-1(b) of the Exchange Act. For Dimensional Fund Advisors, Inc., based solely on a Schedule 13G filed on February 2, 2001 with the Securities and Exchange Commission pursuant to Rule 13d-1(b) of the Exchange Act.
- (5) Includes 2,030,027 shares of Class B Common Stock held by the Partnership.
- (6) David and Alice N. Schwartz each have a one-half community property interest in these shares. Includes 20,588 shares of Class B Common Stock held by DANSA Partners Limited, a California limited partnership, of which David and Alice N. Schwartz are general partners.
- (7) Norman Schwartz and Steven Schwartz are sons of David and Alice N. Schwartz.
- (8) Includes 4,200 shares owned by Norman Schwartz's wife, as to which Norman Schwartz disclaims any beneficial ownership.
- (9) Includes shares with respect to which such persons have the right to

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acquire beneficial ownership immediately or within sixty days of December 18, 2001, under the Company's employee stock purchase plan and stock option agreements, as follows: David Schwartz, 160,650 Class B shares; Norman Schwartz, 10,627 Class B shares and 3,750 Class A shares; James J. Bennett, 22,308 Class A shares; John Goetz, 11,784 Class A shares; Sanford S. Wadler, 15,752 Class A shares; and all directors and executive officers as a group, 70,348 Class A shares and 171,277 Class B shares.

- (10) Includes 4,200 shares owned by Steven Schwartz's wife, as to which Steven Schwartz disclaims any beneficial ownership.

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I. APPROVAL OF AMENDMENT TO INCREASE AUTHORIZED NUMBER OF CAPITAL SHARES OF THE COMPANY

The Board of Directors proposes to amend and restate the Company's certificate of incorporation (the "Existing Certificate") to increase the number of authorized shares of the Company's capital stock. Our Existing Certificate authorizes the Company to issue 23,300,000 shares of capital stock, of which 15,000,000 shares are designated as Class A Common Stock, 6,000,000 shares are designated as Class B Common Stock and 2,300,000 shares are designated as Preferred Stock. The Board of Directors believes this capital structure is inadequate for the present and future needs of the Company. Therefore, on August 15, 2001, the Board of Directors unanimously adopted and declared advisable the amendment and restatement of the Company's certificate of incorporation to increase the total number of authorized shares of capital stock of the Company to 77,500,000 shares, to increase the number of shares of authorized shares of Class A Common Stock to 50,000,000, to increase the number of authorized shares of Class B Common Stock to 20,000,000 and to increase the number of authorized shares of Preferred Stock to 7,500,000. The Board believes this capital structure more appropriately reflects the present and future needs of the Company and recommends such amendment and restatement to the Company's stockholders for adoption.

The Board of Directors recommends that the Existing Certificate be so amended by deleting and replacing Section 4(a) of the Existing Certificate with the following paragraph (the "Authorized Shares Proposal"):

(a) The total number of shares of all classes of stock which the corporation shall be authorized to issue is 77,500,000 shares, divided into three classes of shares of stock as follows: 50,000,000 shares of Class A Common Stock, par value \$0.0001 per share ("Class A Common"), 20,000,000 shares of Class B Common Stock, par value \$0.0001 per share ("Class B Common"), and 7,500,000 shares of Preferred Stock, par value \$0.0001 per share ("Preferred Stock").

The text of the proposed amended and restated certificate of incorporation (the "Restated Certificate"), which includes the Authorized Shares Proposal and the other amendments described in this Proxy Statement, is attached as Exhibit A to this Proxy Statement. Copies of the Existing Certificate are available for inspection at the principal executive offices of the Company and will be sent to any stockholder upon written request. If all of the proposed amendments to the Existing Certificate are adopted, the Restated Certificate will become effective upon filing of the Restated Certificate with the Secretary of State of the State of Delaware.

Adoption of the Authorized Shares Proposal by the stockholders of the Company will not constitute the issuance of additional shares of Class A Common Stock, Class B Common Stock or Preferred Stock and will not affect the rights

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of the holders of currently outstanding shares of such stock.

As of December 24, 2001, 10,083,318 shares of Class A Common Stock, 2,413,281 shares of Class B Common Stock and no shares of Preferred Stock were outstanding. Under our current certificate of incorporation, a Class B stockholder has the right at any time to convert any share of Class B Common Stock into one share of Class A Common Stock. As a result, we have reserved for issuance a total of 2,413,281 shares of Class A Common Stock to allow for this conversion. The total number of shares of Class A Common Stock and Class B Common Stock outstanding excludes: 549,910 Class A shares and 236,337 Class B shares that are issuable upon exercise of outstanding options and warrants.

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Purpose for Authorizing Additional Capital Stock

Approval of the Authorized Shares Proposal by the stockholders of the Company will give the Board of Directors the express authority, without further action by the stockholders, to issue shares of Class A Common Stock, Class B Common Stock or Preferred Stock from time to time as the Board of Directors deems necessary. The Board's primary purpose in submitting the Authorized Shares Proposal to the stockholders at this time is to provide the Company with flexibility to adjust the number of shares of Class A Common Stock and Class B Common Stock outstanding in order to promote a broad market for such stock. Management's continuing efforts to improve the financial condition and results of operations of the Company have been successful and have been reflected in an increased price of the Class A Common Stock. As a result, the Board of Directors is currently considering effecting a split of the Company's Common Stock through a stock dividend, which would result in a market price believed to be more attractive to a broader spectrum of investors, particularly individual investors. The Board's decision in this regard is necessarily contingent upon numerous factors, including, but not limited to, the number of shares of Class A Common Stock and Class B Common Stock authorized for issuance, fluctuations in the stock market, the prevailing condition of the overall economy and the market price of the Common Stock. It is, therefore, possible that a decision to split the Common Stock through a stock dividend may not be taken. However, should the Board of Directors determine to split the Common Stock through a stock dividend, stockholder approval of an amendment to increase the number of authorized shares of capital stock would be necessary to enable the Company to effectuate such a split. If the Authorized Shares Proposal is adopted by the stockholders of the Company, the Board will avoid the delay which would be required for obtaining such approval at a later time. Conversely, delaying the Authorized Shares Proposal until the next regularly scheduled Annual Meeting in April 2002 would necessarily eliminate the Board's ability to effect a stock split through a stock dividend prior to that date.

In addition to providing flexibility to effect a stock split through a stock dividend, the availability of additional authorized shares of capital stock would provide the Company with flexibility to issue Class A Common Stock, Class B Common Stock or Preferred Stock for a variety of other proper corporate purposes without further action by the Company's stockholders, except as may be required by law, regulation or stock exchange rule. As a result, the Company would be in a better position to take prompt advantage of opportunities for which the issuance of the Company's capital stock might be appropriate, including, without limitation, acquisition transactions, equity or convertible debt financings, stock dividends or distributions, issuance of options pursuant to the Company's stock option plans or other bona fide corporate purposes. The Company has not committed to issue any shares of capital stock which are the subject of the Authorized Shares Proposal.

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Effects of Increasing the Authorized Capital Stock

Approval of the Authorized Shares Proposal by the stockholders of the Company could have a number of effects on the Company's stockholders depending upon the exact nature and circumstances of any actual issuances of authorized but unissued shares of capital stock of the Company by the Board of Directors of the Company. The Authorized Shares Proposal could have an anti-takeover effect, in that 54,200,000 additional shares of capital stock of the Company could be issued (within the limits imposed by applicable law) in one or more transactions that could make a change in control or takeover of the Company more difficult. For example, additional shares of capital stock of the Company could be issued by the Company so as to dilute the stock ownership or voting rights of persons seeking to obtain control of the Company. Similarly, the issuance of additional shares of capital stock of the Company to certain persons allied with the Company's management could have the effect of making it more difficult to remove the Company's current management by diluting the stock ownership of or voting rights of persons seeking to cause such removal. Although the Authorized Shares Proposal has been prompted by business and financial considerations and not by the threat of any hostile takeover attempt (nor is the Board currently aware of any such attempts directed at the Company), nevertheless, stockholders should be aware that approval of the Authorized Shares Proposal could facilitate future efforts by the Company to deter or prevent changes in control of the Company, including transactions in which the stockholders might otherwise receive a premium for their shares over then current market prices.

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In addition, an issuance of additional shares of capital stock of the Company could have an effect on the potential realizable value of a stockholder's investment. In the absence of a proportionate increase in the Company's earnings and book value, an increase in the aggregate number of outstanding shares would dilute the earnings per share and book value per share of all outstanding shares of the Company's capital stock. If such factors were reflected in the price per share of Class A Common Stock and Class B Common Stock, the potential realizable value of a stockholder's investment could be adversely affected. The Class A Common Stock and Class B Common Stock carries no preemptive rights to purchase additional shares upon the issuance of additional shares of capital stock of the Company. The adoption of the Authorized Shares Proposal will not of itself cause any change in the capital accounts of the Company.

Vote Required

The affirmative vote of each of (i) a majority of the outstanding Class A Common Stock voting together as a single class, (ii) a majority of the outstanding Class B Common Stock, voting together as a single class, and (iii) a majority of the Voting Power of the Company (with the holders of Class A Common Stock having one-tenth of a vote for each share of Class A Common Stock and the holders of Class B Common Stock having one vote for each share Class B Common Stock) is required to approve the Authorized Shares Proposal.

The Board of Directors recommends that you vote FOR the Authorized Shares Proposal.

II. APPROVAL OF AMENDMENT TO REDUCE THE PAR VALUE OF EACH OF THE CLASS A COMMON STOCK, CLASS B COMMON STOCK AND PREFERRED STOCK

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The Existing Certificate provides that the par value of each of the Class A Common Stock, Class B Common Stock and Preferred Stock is \$1.00 per share. The Board of Directors recommends that the Existing Certificate be so amended by deleting and replacing Section 4(a) of the Existing Certificate with the following paragraph (the "Par Value Proposal"):

(a) The total number of shares of all classes of stock which the corporation shall be authorized to issue is 77,500,000 shares, divided into three classes of shares of stock as follows: 50,000,000 shares of Class A Common Stock, par value \$0.0001 per share ("Class A Common"), 20,000,000 shares of Class B Common Stock, par value \$0.0001 per share ("Class B Common"), and 7,500,000 shares of Preferred Stock, par value \$0.0001 per share ("Preferred Stock").

The text of the proposed Restated Certificate, which includes the Par Value Proposal and the other amendments described in this Proxy Statement, is attached as Exhibit A to this Proxy Statement. Copies of the Existing Certificate are available for inspection at the principal executive offices of the Company and will be sent to any stockholder upon written request. If all of the proposed amendments to the Existing Certificate are adopted, the Restated Certificate will become effective upon filing of the Restated Certificate with the Secretary of State of the State of Delaware.

Purpose and Effect of Reduction in Par Value

If the Par Value Proposal is approved by the stockholders of the Company, the resulting reduction in the par value of the Company's capital stock may decrease the Company's franchise taxes depending on the method of calculating franchise taxes used by the Company. In addition, a reduction in the par value of the Company's capital stock may result in a greater surplus, which would give the Company greater flexibility to pay dividends or repurchase stock. The Par Value Proposal will not otherwise affect the rights of the Company's stockholders.

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Vote Required

The affirmative vote of each of (i) a majority of the outstanding Class A Common Stock voting together as a single class, (ii) a majority of the outstanding Class B Common Stock voting together as a single class, and (iii) a majority of the Voting Power of the Company (with the holders of Class A Common Stock having one-tenth of a vote for each share of Class A Common Stock and the holders of Class B Common Stock having one vote for each share Class B Common Stock) is required to approve the Par Value Proposal.

The Board of Directors recommends that you vote FOR the Par Value Proposal.

III. APPROVAL OF AMENDMENT TO ELIMINATE REQUIREMENT THAT DIRECTORS BE ELECTED BY WRITTEN BALLOT

Under the Existing Certificate, election of directors must be effected by written ballot. Section 211(e) of the General Corporation Law of the State of Delaware provides that all elections of directors must be by written ballot unless otherwise provided in the certificate of incorporation. The Board of Directors recommends that the Existing Certificate be amended to add the following sentence to the end of Section 4(b)(B)(1) (the "Written Ballot Proposal"):

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Unless, and to the extent, that, the by-laws of the corporation so require, the election of directors of the corporation need not be by written ballot.

The text of the proposed Restated Certificate, which includes the Written Ballot Proposal and the other amendments described in this Proxy Statement, is attached as Exhibit A to this Proxy Statement. Copies of the Existing Certificate are available for inspection at the principal executive offices of the Company and will be sent to any stockholder upon written request. If all of the proposed amendments to the Existing Certificate are adopted, the Restated Certificate will become effective upon filing of the Restated Certificate with the Secretary of State of the State of Delaware.

Purpose and Effect of Elimination of Requirement that Directors Be Elected By Written Ballot

Approval of the Written Ballot Proposal by the stockholders of the Company will not alter stockholders' rights to elect the Company's directors, but it will eliminate the current requirement that all elections of directors be conducted by written ballot and would allow the addition of a new provision to the Company's bylaws specifying that the Board may determine whether a written ballot is required in connection with the election of directors. The Board believes that the Company should have maximum flexibility and ability to reduce costs of conducting an election of directors. The Board of Directors does not consider the Written Ballot Proposal to be a material change to the Existing Certificate.

Vote Required

The affirmative vote of a majority of the Voting Power of the Company (with the holders of Class A Common Stock having one-tenth of a vote for each share of Class A Common Stock and the holders of Class B Common Stock having one vote for each share Class B Common Stock) is required to approve the Written Ballot Proposal.

The Board of Directors recommends that you vote FOR the Written Ballot Proposal.

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IV. APPROVAL OF CERTAIN TECHNICAL AMENDMENTS TO EXISTING CERTIFICATE

The Board of Directors recommends certain other amendments to the Existing Certificate that are not intended to affect stockholders' rights under the Existing Certificate, but are intended to clarify the intent of certain provisions.

The Board recommends an amendment to the Existing Certificate to amend and restate the last sentence of Section 4(b)(B)(5) as follows:

If permitted by the by-laws, the Board of Directors may increase the number of directors, and any newly created directorships so created may be filled by the Board of Directors; provided that, so long as the holders of Class A Common shares have the rights provided in paragraphs B.(1) and B.(5) of this Article 4.(b) in respect of the next previous annual meeting of stockholders, the Board of Directors may be so enlarged by the Board of Directors only to the extent that at least twenty-five percent of the

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enlarged Board consists of directors elected (a) by the holders of the Class A Common shares, (b) by persons appointed to fill vacancies created by the death, resignation or removal of persons elected by the holders of the Class A Common shares, (c) by directors elected by the holders of the Class A Common shares, or (d) by persons elected to fill newly created directorships in the manner provided by clauses (a), (b) or (c) above.

The Board of Directors has also approved an amendment to the Existing Certificate to add the following language after Section 7 (together with the amendment above, the "Technical Amendments Proposal"):

8. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Restated Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

The text of the proposed Restated Certificate, which includes the Technical Amendments Proposal and the other amendments described in this Proxy Statement, is attached as Exhibit A to this Proxy Statement. Copies of the Existing Certificate are available for inspection at the principal executive offices of the Company and will be sent to any stockholder upon written request. If all of the proposed amendments to the Existing Certificate are adopted, the Restated Certificate will become effective upon filing of the Restated Certificate with the Secretary of State of the State of Delaware.

Purpose and Effect of Proposed Technical Amendments

The Board of Directors does not consider the Technical Amendments Proposal to be material changes to the Existing Certificate. The last sentence of Section 4(b)(B)(5) in the Existing Certificate refers to "vacancies" resulting from an increase in the authorized number of directors. As a technical matter, the use of the word "vacancy" in that context is improper. The proposed amendment to Section 4(b)(B)(5) would replace the term "vacancy" with the more appropriate term, "newly created directorship," and make corresponding changes to the sentence to clarify the intent of the limitation on the power of the Board of Directors to fill newly-created directorships.

Although the Existing Certificate contains no express reservation of the right of the Company to amend, alter, change or repeal any provision, such right is explicit in section 242 of the General Corporation Law of the State of Delaware. The proposed amendment to add a new Section 8 is intended to update the Existing Certificate with a provision commonly employed by Delaware corporations and does not purport to alter the rights of the stockholders under the Existing Certificate.

Vote Required

The affirmative vote of a majority of the Voting Power of the Company (with the holders of Class A Common Stock having one-tenth of a vote for each share of Class A Common Stock and the holders of Class B Common Stock having one vote for each share Class B Common Stock) is required to approve the Technical Amendments Proposal.

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The Board of Directors recommends that you vote FOR the Technical Amendments
Proposal.

V. OTHER MATTERS

At the date of this Proxy Statement, the Board of Directors does not know of any business to be presented for consideration at the meeting other than that described above. If any other business should properly come before the meeting, including, without limitation, if submitted to a vote of the stockholders, a motion to adjourn the special meeting to another time or place for the purpose of soliciting additional proxies, the shares represented by Proxies will be voted in accordance with the judgment of the persons named in such Proxies.

Stockholders of record on December 24, 2001 may obtain copies without charge of the Company's annual report on Form 10-K (excluding exhibits) filed with the SEC by contacting:

Bio-Rad Laboratories, Inc.
Attn: Corporate Secretary
1000 Alfred Nobel Drive
Hercules, CA 94547

<http://www.bio-rad.com>

STOCKHOLDER PROPOSALS

If you want the Company to consider including a proposal in the proxy statement for next year's annual meeting, you must deliver it in writing to Bio-Rad Laboratories, Inc. at 1000 Alfred Nobel Drive, Hercules, California 94547, Attention: Secretary, no later than December 31, 2001.

If you want to present a proposal at next year's annual meeting but do not wish to have it included in the Company's proxy statement, you must submit it in writing to the Company at the above address by March 11, 2002.

By order of the Board of Directors
BIO-RAD LABORATORIES, INC.

SANFORD S. WADLER, Secretary

Hercules, California
January 2, 2002

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APPENDIX A

RESTATED
CERTIFICATE OF INCORPORATION
OF
BIO-RAD LABORATORIES, INC.
(a Delaware Corporation)

The original Certificate of Incorporation of the corporation was filed with the Secretary of State of Delaware on March 10, 1975 and a restated Certificate of Incorporation was filed on April 25, 1989. The following Restated Certificate of Incorporation (the "Restated Certificate") has been duly adopted by the Board of Directors and the Stockholders pursuant to Sections 242 and 245

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of the Delaware General Corporation Law.

1. The name of the corporation is BIO-RAD LABORATORIES, INC.

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. The nature of the business or purposes to be conducted or promoted is:

Specifically, to engage in the research, development, manufacture and marketing of chemicals, chemical compounds and products and related instruments and apparatus.

Generally to conduct and carry on the business of manufacturing, selling and distributing chemicals, chemical preparations, compounds, and materials of every kind and description and all instruments, apparatus, articles and products related thereto; and to purchase, manufacture, produce, refine, mine or otherwise acquire, invest in, own, hold, use, mortgage, pledge, sell, assign, transfer, or otherwise dispose of, trade and deal in and with, any and all kinds of chemicals and source materials, ingredients, mixtures, derivatives, and compounds thereof, and any and all kinds of products of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used, including, without limitation, industrial chemicals of all kinds.

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. (a) The total number of shares of all classes of stock which the corporation shall be authorized to issue is 77,500,000 shares, divided into three classes of shares of stock as follows: 50,000,000 shares of Class A Common Stock, par value \$0.0001 per share ("Class A Common"), 20,000,000 shares of Class B Common Stock, par value \$0.0001 per share ("Class B Common"), and 7,500,000 shares of Preferred Stock, par value \$0.0001 per share ("Preferred Stock")./(1)/

(1) If the Authorized Shares Proposal is not approved, then the number of shares of all classes of stock which the Company shall be authorized to issue shall remain unchanged from the Existing Certificate. If the Par Value Proposal is not approved, then the par value of all classes of stock which the Company is authorized to issue will remain unchanged from the Existing Certificate. If neither the Authorized Shares Proposal nor the Par Value Proposal are approved, then Section 4(a) will remain unchanged from the Existing Certificate, which currently provides:

This corporation is authorized to issue three classes of shares of stock to be designated "Class A Common", "Class B Common" and "Preferred." The total number of shares that this corporation is authorized to issue is 23,300,000 and the aggregate par value of all such share is \$23,300,000. Fifteen million of the shares shall be Class A Common shares of a par value of \$1.00 each. Six million of the shares shall be Class B Common shares of a par value of \$1.00 per share. Two million, three hundred thousand of the shares shall be Preferred shares of a par value of \$1.00 per share.

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(b) Except as set forth in this Article 4.(b), the Class A Common shares and Class B Common shares shall be identical in all respects and shall have equal rights and privileges.

A. Dividends.

(1) Subject to paragraph (2) of this paragraph A, whenever a dividend is paid to holders of Class B Common shares, the corporation shall also pay to holders of Class A Common shares a dividend at least equal in amount per share. The corporation may pay dividends to holders of Class A Common shares in excess of dividends paid, or without paying dividends, to holders of Class B Common shares.

(2) If at any time a dividend is to be paid in Class B Common shares or Class A Common shares (a "Stock Dividend"), such Stock Dividend may be declared and paid only as follows:

(i) So long as no Class A Common shares have been issued or are outstanding, Class A Common shares may be paid to holders of Class B Common shares; or

(ii) Class A Common shares may be paid to holders of Class A Common shares and Class B Common shares may be paid to holders of Class B Common shares.

Whenever a Stock Dividend is paid, the same number of shares shall be paid in respect of each outstanding Class A or Class B Common share. The corporation shall not combine or subdivide shares of either of such classes without at the same time making a proportionate combination or subdivision of shares of the other of such classes.

B. Voting. The holders of Class B Common shares shall have exclusive voting power except as may be provided to holders of the Preferred shares pursuant to Article 4.(c) of this Restated Certificate and except as follows:

(1) With respect to the election of directors, the holders of Class A Common shares voting as a separate class shall be entitled to elect that number of directors which constitutes twenty-five percent of the authorized number of members of the Board of Directors and, if such twenty-five percent is not a whole number, then the holders of Class A Common shares shall be entitled to elect the nearest higher whole number of directors that is at least twenty-five percent of such membership. Holders of Class B Common shares voting as a separate class, subject to voting rights that may be granted to holders of Preferred shares pursuant to Article 4.(c) of this Restated Certificate shall be entitled to elect the remaining directors. Unless, and to the extent that, the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot./(2)/

(2) The holders of Class A Common shares shall be entitled to vote as a separate class on the removal, with or without cause, of any director elected by the holders of Class A Common shares and the holders of Class B Common shares (subject to voting rights of Preferred shares granted pursuant to Article 4.(c) of this Restated Certificate) shall be entitled to vote as a separate class on the removal, with or without cause, of any director elected by the holders of Class B Common shares; provided that any director may be removed for cause by vote of the holders of the Class A and Class B Common shares voting as a single class, in which event the holders of Class A Common shares shall have one-tenth vote per share and the holders of Class B Common shares shall have one vote per share.

(3) The holders of the Class A Common shares and the holders of

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the Class B Common shares shall be entitled to vote as separate classes on such other matters as may be required by law or this Restated Certificate to be submitted to such holders voting as separate classes.

(4) The holders of Class A and Class B Common shares shall in all matters not specified in paragraph (1), (2) or (3) of this paragraph B vote together as a single class (subject to voting rights that may be granted to any holders of Preferred shares pursuant to Article 4.(c) of this Restated Certificate); provided that the holders of Class A Common shares shall have one-tenth of a vote for each share and the holders of Class B Common shares shall have one vote for each share.

(2) This sentence will be included in the Restated Certificate only if the Written Ballot Proposal is approved.

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(5) Any vacancy in the office of a director elected by the holders of the Class A Common shares may be filled by a vote of such holders voting as a separate class and any vacancy in the office of a director elected by the holders of the Class B Common shares may be filled by a vote of such holders voting as a separate class (subject to voting rights of the Preferred shares granted pursuant to Article 4.(c) of this Restated Certificate) and, in the absence of a stockholder vote, in the case of a vacancy in the office of a director elected by either class, such vacancy may be filled by the remaining directors as provided in the by-laws. Any director elected by the Board of Directors to fill a vacancy shall serve until the next annual meeting of the stockholders and until his or her successor has been chosen and has qualified. If permitted by the by-laws, the Board of Directors may increase the number of directors, and any newly created directorships so created may be filled by the Board of Directors; provided that, so long as the holders of Class A Common shares have the rights provided in paragraphs B.(1) and B.(5) of this Article 4.(b) in respect of the next previous annual meeting of stockholders, the Board of Directors may be so enlarged by the Board of Directors only to the extent that at least twenty-five percent of the enlarged Board consists of directors elected (a) by the holders of the Class A Common shares, (b) by persons appointed to fill vacancies created by the death, resignation or removal of persons elected by the holders of the Class A Common shares, (c) by directors elected by the holders of the Class A Common shares, or (d) by persons elected to fill newly created directorships in the manner provided by clauses (a), (b) or (c) above./ (3) /

(6) The Class A Common shares will not have the rights to elect directors set forth in paragraphs B.(1) and B.(5) of this Article 4.(b) if, on the record date for any stockholder meeting at which directors are to be elected, the number of issued and outstanding Class A Common shares is less than ten percent of the aggregate number of issued and outstanding Class A Common shares and Class B Common shares. In such case, all directors to be elected at such meeting shall be elected by holders of Class A Common shares and Class B Common shares voting together as a single class (subject to voting rights that may be granted to any holders of Preferred shares pursuant to Article 4.(c) of this Restated Certificate); provided that, with respect to said election, the holders of Class A Common shares shall have one-tenth of a vote for each share and the holders of Class B Common shares shall have one vote for each share.

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(7) Notwithstanding anything in this paragraph B to the contrary, the holders of Class A Common shares shall have exclusive voting power on all matters, except as may be provided to holders of the Preferred shares pursuant to Article 4.(c) of this Restated Certificate, at any time when no Class B Common shares are issued and outstanding.

C. Conversion. Each holder of record of Class B Common shares may at any time or from time to time, in such holder's sole discretion and at such holder's option, convert any whole number or all of such holder's Class B Common shares into fully paid and non-assessable Class A Common shares at the rate (subject to adjustment as hereinafter provided) of one Class A Common share for each Class B Common share surrendered for conversion. Any such conversion may be effected by any holder of Class B Common shares surrendering such holder's certificate or certificates for the Class B Common shares to be converted, duly endorsed, at the office of the corporation or any transfer agent for the Class B Common shares, together with a written notice to the corporation at such office that such holder elects to convert all or a specified number of Class B Common shares and stating the name or names in which such holder desires the certificate or certificates

(3) If the Technical Amendments Proposal is not approved, then the last sentence of this Section 4(b)(B)(5) will remain unchanged from the Existing Certificate, which currently provides:

If permitted by the by-laws, the Board of Directors may increase the number of directors and any vacancies so created may be filled by the Board of Directors; provided that, so long as the holders of Class A Common shares have the rights provided in paragraphs B.(1) and B.(5) of this Article 4.(b) in respect of the next previous annual meeting of stockholders, the Board of Directors may be so enlarged by the Board of Directors only to the extent that at least twenty-five percent of the enlarged Board consists of directors elected by the holders of the Class A Common shares or by persons appointed to fill vacancies created by the death, resignation or removal of persons elected by the holders of the Class A Common shares.

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for such Class A Common shares to be issued. Promptly thereafter, the corporation shall issue and deliver to such holder or such holder's nominee or nominees, a certificate or certificates for the number of Class A Common shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made at the close of business on the date of such surrender and the person or persons entitled to receive the Class A Common shares issuable on such conversion shall be treated for all purposes as the record holder or holders of such Class A Common shares on that date.

The number of Class A Common shares into which the Class B Common shares may be converted shall be subject to adjustment from time to time in the event of any capital reorganization reclassification of the stock of the corporation, consolidation or merger of the corporation with or into another corporation or sale or conveyance of all or substantially all of the assets of the corporation to another corporation or other entity or person. Each Class B Common share shall thereafter be convertible into such kind and amount of securities or other assets, or both, as are issuable or distributable in respect of the number of Class A Common shares into which each Class B Common share is convertible immediately prior to such reorganization, reclassification, consolidation, merger, sale or conveyance. In any such case, appropriate adjustments shall be made by the Board of Directors of the corporation in the

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application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of Class B Common shares, to the end that the provisions set forth herein (including provisions for adjustment of the conversion rate) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other assets thereafter deliverable on conversion of the Class B Common shares.

No fraction of a Class A Common share shall be issued on conversion of any Class B Common share but, in lieu thereof, the corporation shall pay in cash therefor the pro rata fair market value of any such fraction. Such fair market value shall be based, in the case of publicly traded securities, on the last sale price for such securities on the business day next prior to the date such fair market value is to be determined (or, in the event no sale is made on that day, the average of the closing bid and asked prices for that day on the principal stock exchange on which Class A Common shares are traded or, if the Class A Common shares are not then listed on any national securities exchange, the average of the closing bid and asked prices for that day quoted by the NASDAQ System) or, in the case of other property, the fair market value on such day determined by a qualified independent appraiser expert in evaluating such property and appointed by the Board of Directors of the corporation. Any such determination of fair market value shall be final and binding on the corporation and on each holder of Class B Common shares or Class A Common shares.

The corporation shall at all times reserve and keep available out of the authorized and unissued Class A Common shares, solely for the purpose of effecting the conversion of the outstanding Class B Common shares, such number of Class A Common shares as shall from time to time be sufficient to effect the conversion of all outstanding Class B Common shares and if, at any time, the number of authorized and unissued Class A Common shares shall not be sufficient to effect conversion of the then outstanding Class B Common shares, the corporation shall take such corporate action as may be necessary to increase the number of authorized and unissued Class A Common shares to such number as shall be sufficient for such purposes.

(c) The Preferred shares may be issued from time to time in one or more series. The Board of Directors is hereby authorized to fix or alter the designations, preferences, and relative, participating, optional or other special rights, and qualifications, limitations or restrictions, of such Preferred shares, including without limitation of the generality of the foregoing, dividend rights, dividend rates, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices and liquidation preferences of any wholly unissued series of Preferred shares, and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

5. The corporation is to have perpetual existence.

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6. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the by-laws of the corporation.

7. A director of the corporation shall not be personally liable to the

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corporation or any stockholder for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article 7 to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of any provision of this Article 7 by the stockholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

8. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Restated Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article./(4)/

(4)This section will be included in the Restated Certificate only if the Technical Amendments Proposal is approved.

IN WITNESS WHEREOF, the undersigned have executed this certificate as of
, 2002.

David Schwartz, President

Sanford S. Wadler, Secretary

The undersigned, the President and Secretary of Bio-Rad Laboratories, Inc., a Delaware corporation, declare under penalty of perjury that the matters set out in the foregoing Restated Certificate of Incorporation are true of their own knowledge.

David Schwartz, President

Sanford S. Wadler, Secretary

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PROXY
CLASS A STOCK

BIO-RAD LABORATORIES, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
FOR THE SPECIAL MEETING OF STOCKHOLDERS

FEBRUARY 4, 2002

The undersigned does hereby appoint David Schwartz and Sanford S. Wadler and each of them, attorneys-in-fact and agents with full powers of substitution, for and in the name, place and stead of the undersigned, to vote as proxies or proxy all the shares of Class A Common Stock of Bio-Rad Laboratories, Inc. ("Bio-Rad"), to be held at the Company's corporate offices, 1000 Alfred Nobel Drive, Hercules, California, on Monday, February 4, 2002 at 4:00 p.m., Pacific Time, and at any and all adjournments or postponements thereof including, if submitted to a vote of the stockholders, a motion to adjourn the special meeting to another time or place for the purpose of soliciting additional proxies:

PLEASE VOTE, SIGN, DATE AND MAIL THE PROXY CARD PROMPTLY
USING THE ENCLOSED ENVELOPE

(Continued and to be signed on the reverse side.)

This proxy will be voted as specified below. If no voting instructions are indicated with respect to one or more of the proposals, the proxy will be voted in favor of the proposal(s). This proxy confers authority for each of the persons indicated on the reverse to vote in his discretion on other matters which may properly come before the meeting. The Board of Directors recommends a Vote FOR Items 1, 2, 3 and 4.

1. AUTHORIZED SHARES PROPOSAL To approve an amendment to the certificate of incorporation of the Company to increase the authorized number of shares of capital stock from 23,300,000 to 77,500,000 shares, by increasing the number of authorized shares of our Class A Common Stock from 15,000,000 shares to 50,000,000 shares, increasing the number of authorized shares of our Class B Common Stock from 6,000,000 shares to 20,000,000 shares and increasing the number of authorized shares of Preferred Stock from 2,300,000 to 7,500,000 shares.

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. PAR VALUE PROPOSAL To approve an amendment to the certificate of incorporation of the Company to reduce the par value of each of the Class A Common Stock, Class B Common Stock and Preferred Stock from \$1.00 per share to \$.0001 per share.

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. WRITTEN BALLOT PROPOSAL To approve an amendment to the certificate of incorporation of the Company to eliminate the current requirement that all elections of directors be conducted by written ballot.

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. TECHNICAL AMENDMENTS PROPOSAL To approve an amendment to the certificate of incorporation of the Company to make certain technical amendments.

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For Against Abstain
[] [] []

Dated: _____

Signature: _____

Signature,
If held jointly: _____

Receipt of the Notice of Special Meeting of Stockholders and proxy statement is hereby confirmed.
Please sign exactly as your name appears hereon or on the stock certificate. Executors, administrators or trustees should indicate their capacities. If stock is held in joint names, both registered holders should sign. No witness or notarization is necessary.

/\ FOLD AND DETACH HERE /\

YOUR VOTE IS IMPORTANT!

PLEASE VOTE, SIGN, DATE AND MAIL THE PROXY CARD PROMPTLY
USING THE ENCLOSED ENVELOPE.

PROXY
CLASS B STOCK

BIO-RAD LABORATORIES, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
FOR THE SPECIAL MEETING OF STOCKHOLDERS

FEBRUARY 4, 2002

The undersigned does hereby appoint David Schwartz and Sanford S. Wadler and each of them, attorneys-in-fact and agents with full powers of substitution, for and in the name, place and stead of the undersigned, to vote as proxies or proxy all the shares of Class B Common Stock of Bio-Rad Laboratories, Inc. ("Bio-Rad"), to be held at the Company's corporate offices, 1000 Alfred Nobel Drive, Hercules, California, on Monday, February 4, 2002 at 4:00 p.m., Pacific Time, and at any and all adjournments or postponements thereof including, if submitted to a vote of the stockholders, a motion to adjourn the special meeting to another time or place for the purpose of soliciting additional proxies:

PLEASE VOTE, SIGN, DATE AND MAIL THE PROXY CARD PROMPTLY
USING THE ENCLOSED ENVELOPE

(CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE.)

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This proxy will be voted as specified below. If no voting instructions are indicated with respect to one or more of the proposals, the proxy will be voted in favor of the proposal(s). This proxy confers authority for each of the persons indicated on the reverse to vote in his discretion on other matters which may properly come before the meeting. The Board of Directors recommends a Vote FOR Items 1, 2, 3 and 4.

- 1. AUTHORIZED SHARES PROPOSAL To approve an amendment to the certificate of incorporation of the Company to increase the authorized number of shares of capital stock from 23,300,000 to 77,500,000 shares, by increasing the number of authorized shares of our Class A Common Stock from 15,000,000 shares to 50,000,000 shares, increasing the number of authorized shares of our Class B Common Stock from 6,000,000 shares to 20,000,000 shares and increasing the number of authorized shares of Preferred Stock from 2,300,000 to 7,500,000 shares.

For Against Abstain
[] [] []

- 2. PAR VALUE PROPOSAL To approve an amendment to the certificate of incorporation of the Company to reduce the par value of each of the Class A Common Stock, Class B Common Stock and Preferred Stock from \$1.00 per share to \$.0001 per share.

For Against Abstain
[] [] []

- 3. WRITTEN BALLOT PROPOSAL To approve an amendment to the certificate of incorporation of the Company to eliminate the current requirement that all elections of directors be conducted by written ballot.

For Against Abstain
[] [] []

- 4. TECHNICAL AMENDMENTS PROPOSAL To approve an amendment to the certificate of incorporation of the Company to make certain technical amendments.

For Against Abstain
[] [] []

Dated: _____

Signature: _____

Signature,
If held jointly: _____

Receipt of the Notice of Special Meeting of Stockholders and proxy statement is hereby confirmed. Please sign exactly as your name appears hereon or on the stock certificate. Executors, administrators or trustees should indicate their capacities. If stock is held in joint names, both registered holders should sign. No witness or

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notarization is necessary.

/\ FOLD AND DETACH HERE /\

YOUR VOTE IS IMPORTANT!

PLEASE VOTE, SIGN, DATE AND MAIL THE PROXY CARD PROMPTLY
USING THE ENCLOSED ENVELOPE.

Body -->

Derivatives Designated as Hedges:

Cash flow hedges

Interest rate derivatives

\$ \$ \$(18) \$(21)

Fair value hedges

Interest rate derivatives

11 12

Cross-currency derivatives

76 94

Total derivatives designated as hedges

87 106 (18) (21)

Derivatives not Designated as Hedges:

Commodity-based derivatives

Production-related

643 738 (70) (56)

Other natural gas

667 853 (884) (1,122)

Power-related

80 111 (472) (549)

Total commodity-based derivatives

1,390 1,702 (1,426) (1,727)

Interest rate derivatives

12 12 (12) (12)

Total derivatives not designated as hedges

1,402 1,714 (1,438) (1,739)

Impact of master netting arrangements ⁽¹⁾

(616) (743) 616 743

Total assets (liabilities) from price risk management activities

873 1,077 (840) (1,017)

Other derivatives⁽²⁾

(56) (55)

Total derivatives

\$873 \$1,077 \$(896) \$(1,072)

(1) Includes adjustments to net assets or liabilities to reflect master netting arrangements we have with our counterparties.

(2) Included in other current and noncurrent liabilities in our balance sheets.

Table of Contents

Statements of Income, Comprehensive Income and Cash Flow Presentation. Derivatives that we have designated as accounting hedges impact our revenues or expenses based on the nature and timing of the transactions that they hedge. Changes in derivative fair values that are designated as cash flow hedges are deferred in accumulated other comprehensive income or loss to the extent that they are effective and then recognized in earnings when the hedged transactions occur. Ineffectiveness related to our cash flow hedges is recognized in earnings as it occurs. Changes in the fair value of derivatives that are designated as fair value hedges are recognized in earnings as offsets to the changes in fair values of the related hedged assets, liabilities or firm commitments.

Derivatives that we have not designated as accounting hedges are marked-to-market each period and changes in their fair value are generally reflected as operating revenues, except as indicated in the table below. In our cash flow statement, cash inflows and outflows associated with the settlement of our derivative instruments are recognized in operating cash flows (other than those derivatives intended to hedge the principal amounts of our foreign currency denominated debt, which are recorded in financing activities). Listed below are the impacts to our income statement and statement of comprehensive income for the quarter ended March 31, 2009 (in millions):

	Operating Revenues	Interest Expense	Other Income	Other Comprehensive Income (Loss)
<i>Commodity-based derivatives</i>				
Production-related derivatives ⁽¹⁾	\$ 394	\$	\$	\$ (128)
Other natural gas and power derivatives not designated as hedges	55			
Total commodity-based derivatives	449			(128)
<i>Interest rate derivatives ⁽²⁾</i>				
Designated as cash flow hedges ⁽³⁾		1		3
Designated as fair value hedges ⁽⁴⁾		1		
<i>Cross-currency derivatives designated as fair value hedges⁽⁴⁾</i>				
		2	(24)	
Total interest rate and foreign currency derivatives		4	(24)	3
Total price risk management activities ⁽⁵⁾	\$ 449	\$ 4	\$ (24)	\$ (125)

(1) Included in operating revenues in 2009 is \$128 million representing the amount of accumulated other comprehensive income that was reclassified into income related to commodity-based derivatives for

which we removed the hedging designation during the fourth quarter of 2008. We anticipate that approximately \$275 million of our accumulated other comprehensive income will be reclassified to operating revenues during the next twelve months.

- (2) We have not reflected in this table approximately \$2 million of losses recognized for the quarter ended March 31, 2009 related to interest rate derivatives not designated as hedges that were offset completely by the impact of certain swaps. Settlements related to these swaps were not material for the quarter ended March 31, 2009.
- (3) Included in these amounts is less than \$1 million representing the amount of accumulated other comprehensive income that was reclassified into

income related to these hedges. We anticipate that less than \$2 million of our accumulated other comprehensive income will be reclassified to interest expense during the next twelve months. No ineffectiveness was recognized on our interest rate cash flow hedges for the quarter ended March 31, 2009.

- (4) Amounts only reflect the financial statement impact of these derivative contracts. The table does not reflect the offsetting impact of changes to the carrying value of the underlying debt hedged by these derivative instruments as a result of changes in fair value attributable to the risk being hedged, which is also recorded in other income and interest expense and substantially offsets the financial statement impact of these derivatives. We also recorded a decrease to

interest expense of approximately \$1 million during the quarter ended March 31, 2009 as a result of converting the interest rate on the underlying debt from a fixed rate to a floating rate. No ineffectiveness was recognized on our fair value hedges for the quarter ended March 31, 2009.

- (5) We also had approximately \$1 million of losses for the quarter ended March 31, 2009 recognized in operating expenses related to other derivative instruments not associated with our price risk management activities.

Table of Contents**8. Debt, Other Financing Obligations and Other Credit Facilities**

	March 31, 2009	December 31, 2008
	(In millions)	
Short-term financing obligations, including current maturities	\$ 961	\$ 1,090
Long-term financing obligations	13,541	12,818
Total	\$ 14,502	\$ 13,908

Changes in Long-Term Financing Obligations. During the quarter ended March 31, 2009, we had the following changes in our long-term financing obligations (in millions):

Company	Interest Rate	Book Value Increase (Decrease)	Cash Received / (Paid)
<i>Issuances</i>			
El Paso Notes due 2016 ⁽¹⁾	8.25%	\$ 478	\$ 473
Tennessee Gas Pipeline (TGP) notes due 2016 ⁽¹⁾	8.00%	237	235
Southern LNG notes due 2014 and 2016	9.60%	135	134
<i>Increases through March 31, 2009</i>		\$ 850	\$ 842
<i>Repayments, repurchases, and other</i>			
El Paso Corporation			
Notes due 2009	6.375%	\$ (112)	\$ (112)
Revolving credit facilities	variable	(97)	(97)
El Paso Pipeline Partners, L.P. (EPB) revolving credit facilities	variable	(10)	(10)
El Paso Exploration and Production Company (EPEP) revolving credit facility	variable	(20)	(20)
Other	variable	(17)	(5)
<i>Decreases through March 31, 2009</i>		\$ (256)	\$ (244)

(1) Principal amount of the notes is \$500 million for El Paso Corporation and \$250 million for TGP.

Credit Facilities. As of March 31, 2009, we had total available capacity under various credit agreements (not including capacity available under the EPB \$750 million revolving credit facility) of approximately \$1.5 billion. In determining our available capacity, we have assessed our lender's ability to fund under our various credit facilities, as further discussed in our 2008 Annual Report on Form 10-K.

In November 2008, we entered into an unsecured credit facility for which we were required to pay fixed facility fees at an annual rate of 7.91% on the total committed amount of the facility. As of March 31, 2009, we had capacity under this facility of \$100 million. In April 2009, we entered into an additional \$50 million 5-year letter of credit facility with a fixed facility fee of 5.95% maturing June 2014. We currently have a total letter of credit capacity under this program of \$150 million with an average fixed facility fee of 7.26% and maturities ranging from December 2013 to June 2014.

The availability of borrowings under our \$1.5 billion revolving credit agreement and our ability to incur additional debt is subject to various financial and non-financial covenants and restrictions. There have been no significant changes to our restrictive covenants from those disclosed in our 2008 Annual Report on Form 10-K.

Letters of Credit. We enter into letters of credit in the ordinary course of our operating activities as well as periodically in conjunction with the sales of assets or businesses. As of March 31, 2009, we had outstanding letters of credit issued under all of our facilities of approximately \$1.6 billion. Included in this amount is approximately \$0.8 billion of letters of credit securing our recorded obligations related to price risk management activities.

Table of Contents**9. Commitments and Contingencies***Legal Proceedings*

ERISA Class Action Suit. In December 2002, a purported class action lawsuit entitled *William H. Lewis, III v. El Paso Corporation, et al.* was filed in the U.S. District Court for the Southern District of Texas alleging that our communication with participants in our Retirement Savings Plan included various misrepresentations and omissions that caused members of the class to hold and maintain investments in El Paso stock in violation of the Employee Retirement Income Security Act (ERISA). We have insurance coverage for this lawsuit, subject to certain deductibles and co-pay obligations. We executed agreements to settle this matter and the court has approved the settlement. We have established accruals for this matter which we believe are adequate.

Cash Balance Plan Lawsuit. In December 2004, a purported class action lawsuit entitled *Tomlinson, et al. v. El Paso Corporation and El Paso Corporation Pension Plan* was filed in U.S. District Court for Denver, Colorado. The lawsuit alleges various violations of ERISA and the Age Discrimination in Employment Act as a result of our change from a final average earnings formula pension plan to a cash balance pension plan. The trial court has dismissed the Plaintiffs' claims. The Plaintiffs have filed a motion seeking to overturn the dismissal of the case. Our costs and legal exposure related to this lawsuit are not currently determinable.

Retiree Medical Benefits Matters. In 2002, a lawsuit entitled *Yolton et al. v. El Paso Tennessee Pipeline Co. and Case Corporation* was filed in a federal court in Detroit, Michigan. The lawsuit was filed on behalf of a group of retirees of Case Corporation (Case) that alleged they are entitled to retiree medical benefits under a medical benefits plan for which we serve as plan administrator pursuant to a merger agreement with Tenneco Inc. Although we had asserted that our obligations under the plan were subject to a cap pursuant to an agreement with the union for Case employees, in the first quarter of 2008, the trial court granted a summary judgment and ruled that the benefits were vested and not subject to the cap. As a result, we were obligated to pay the amounts above the cap and we adjusted our existing indemnification accrual using current actuarial assumptions and reclassified our liability as a postretirement benefit obligation. See Note 10 for a discussion of the impact of this matter. We intend to pursue appellate options following the determination by the trial court of any damages incurred by the plaintiffs during the period when premium payments above the cap were paid by the retirees. We believe our accruals established for this matter are adequate.

Price Reporting Litigation. Beginning in 2003, several lawsuits were filed against El Paso Marketing L.P. (EPM) alleging that El Paso, EPM and other energy companies conspired to manipulate the price of natural gas by providing false price information to industry trade publications that published gas indices. The first set of cases, involving similar allegations on behalf of commercial and residential customers, was transferred to a multi-district litigation proceeding (MDL) in the U.S. District Court for Nevada and styled *In re: Western States Wholesale Natural Gas Antitrust Litigation*. These cases were dismissed. The U.S. Court of Appeals for the Ninth Circuit, however, reversed the dismissal and ordered that these cases be remanded to the trial court. The second set of cases also involve similar allegations on behalf of certain purchasers of natural gas. These include *Farmland Industries v. Oneok Inc., et al.* (filed in state court in Wyandotte County, Kansas in July 2005) and *Missouri Public Service Commission v. El Paso Corporation, et al.* (filed in the circuit court of Jackson County, Missouri at Kansas City in October 2006), and the purported class action lawsuits styled: *Leggett, et al. v. Duke Energy Corporation, et al.* (filed in Chancery Court of Tennessee in January 2005); *Ever-Bloom Inc., et al. v. AEP Energy Services Inc., et al.* (filed in federal court for the Eastern District of California in September 2005); *Learjet, Inc., et al. v. Oneok Inc., et al.* (filed in state court in Wyandotte County, Kansas in September 2005); *Breckenridge, et al. v. Oneok Inc., et al.* (filed in state court in Denver County, Colorado in May 2006); *Arandell, et al. v. Xcel Energy, et al.* (filed in the circuit court of Dane County, Wisconsin in December 2006); *Heartland, et al. v. Oneok Inc., et al.* (filed in the circuit court of Buchanan County, Missouri in March 2007); and *Newpage Wisconsin System, Inc., et al.* (filed in the circuit court of Wood County, Wisconsin in March 2009). The *Leggett* case was dismissed by the Tennessee state court, but in October 2008, the Tennessee Court of Appeals reversed the dismissal, remanding the matter to the trial court. The decision has been appealed to the Tennessee Supreme Court. The *Missouri Public Service* case was transferred to the MDL, but remanded back to state court, where a motion to dismiss has been granted. The dismissal has been appealed. *Newpage* was recently filed. The remaining cases have all been transferred to the MDL proceeding. The *Breckenridge*

Case has been dismissed as to El Paso and other Defendants, and a motion for reconsideration of this decision was denied. This ruling can still be appealed. Discovery is proceeding in the MDL cases. We reached an agreement in principle to settle the *Western States* and *Ever-Bloom* cases and have established accruals for those cases which we believe are adequate. Settlement documents have been executed, but court approval is still required. Our costs and legal exposure related to the remaining lawsuits and claims are not currently determinable.

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Gas Measurement Cases. A number of our subsidiaries were named defendants in actions that generally allege mismeasurement of natural gas volumes and/or heating content resulting in the underpayment of royalties. The first set of cases was filed in 1997 by an individual under the False Claims Act and have been consolidated for pretrial purposes (*In re: Natural Gas Royalties Qui Tam Litigation*, U.S. District Court for the District of Wyoming). These complaints allege an industry-wide conspiracy to underreport the heating value as well as the volumes of the natural gas produced from federal and Native American lands. In October 2006, the U.S. District Judge issued an order dismissing all claims against all defendants. In March 2009, the Tenth Circuit Court of Appeals affirmed the dismissals.

Similar allegations were filed in a set of actions initiated in 1999 in *Will Price, et al. v. Gas Pipelines and Their Predecessors, et al.*, in the District Court of Stevens County, Kansas. The plaintiffs currently seek certification of a class of royalty owners in wells on non-federal and non-Native American lands in Kansas, Wyoming and Colorado. Motions for class certification have been briefed and argued in the proceedings and the parties are awaiting the court's ruling. The plaintiff seeks an unspecified amount of monetary damages in the form of additional royalty payments (along with interest, expenses and punitive damages) and injunctive relief with regard to future gas measurement practices. Our costs and legal exposure related to these lawsuits and claims are not currently determinable.

MTBE. Certain of our subsidiaries used, produced, sold or distributed methyl tertiary-butyl ether (MTBE) as a gasoline additive. Various lawsuits were filed throughout the U.S. regarding the potential impact of MTBE on water supplies. The lawsuits have been brought by different parties, including state attorney generals, water districts and individual water companies. They have sought different remedies, including remedial activities, damages, attorneys fees and costs. These cases were initially consolidated for pre-trial purposes in multi-district litigation in the U.S. District Court for the Southern District of New York. Several cases were later remanded to state court. We settled 59 of these lawsuits, with our payments being made in October 2008. These payments were covered by insurance and all of the payments have been funded by our insurers. Following such settlements, there are 30 lawsuits that remain. Although there have been settlement discussions with other plaintiffs, such discussions have been unsuccessful to date. While the damages claimed in the remaining actions are substantial, there remains significant legal uncertainty regarding the validity of the causes of action asserted and the availability of the relief sought. We have or will tender these remaining cases to our insurers. It is likely that our insurers will assert denial of coverage on the nine most-recently filed cases. Our costs and legal exposure related to these remaining lawsuits are not currently determinable.

In addition to the above proceedings, we and our subsidiaries and affiliates are named defendants in numerous lawsuits and governmental proceedings and claims that arise in the ordinary course of our business. There are also other regulatory rules and orders in various stages of adoption, review and/or implementation. For each of these matters, we evaluate the merits of the case or claim, our exposure to the matter, possible legal or settlement strategies and the likelihood of an unfavorable outcome. If we determine that an unfavorable outcome is probable and can be estimated, we establish the necessary accruals. While the outcome of these matters, including those discussed above, cannot be predicted with certainty, and there are still uncertainties related to the costs we may incur, based upon our evaluation and experience to date, we believe we have established appropriate reserves for these matters. It is possible, however, that new information or future developments could require us to reassess our potential exposure related to these matters and adjust our accruals accordingly, and these adjustments could be material. As of March 31, 2009, we had approximately \$81 million accrued, which has not been reduced by \$14 million of related insurance receivables, for our outstanding legal and governmental proceedings.

Table of Contents*Rates and Regulatory Matters*

EPNG Rate Case. In June 2008, El Paso Natural Gas Company (EPNG) filed a rate case with the Federal Energy Regulatory Commission (FERC) as required under the settlement of its previous rate case. The filing proposed an increase in EPNG's base tariff rates. In August 2008, the FERC issued an order accepting the proposed rates effective January 1, 2009, subject to refund and the outcome of a hearing and a technical conference. The FERC issued an order in December 2008 that generally accepted most of EPNG's proposals in the technical conference proceeding. The FERC appointed an administrative law judge who will decide the remaining issues should EPNG be unable to reach a settlement with its customers in upcoming negotiations.

SNG Rate Case. In March 2009, Southern Natural Gas Company (SNG) filed a rate case with the FERC as permitted under the settlement of its previous rate case. The filing proposed an increase in SNG's base tariff rates. In April 2009, the FERC issued an order accepting the proposed rates effective September 1, 2009, subject to refund and the outcome of a hearing and a technical conference on certain tariff proposals. The FERC appointed an administrative law judge who will decide the rate case issues should SNG be unable to reach a settlement with its customers.

Notice of Proposed Rulemaking. On October 3, 2007, the Minerals Management Service (MMS) issued a Notice of Proposed Rulemaking for Oil and Gas and Sulphur Operations in the Outer Continental Shelf (OCS) Pipelines and Pipeline Rights-of-Way. If adopted, the proposed rules would substantially revise MMS OCS pipeline and rights-of-way regulations. The proposed rules would have the effect of: (1) increasing the financial obligations of entities, like us, which have pipelines and pipeline rights-of-way in the OCS; (2) increasing the regulatory requirements imposed on the operation and maintenance of existing pipelines and rights-of-way in the OCS; and (3) increasing the requirements and preconditions for obtaining new rights-of-way in the OCS.

Other Matter

Navajo Nation. Approximately 900 looped pipeline miles of the north mainline of our EPNG pipeline system are located on lands held in trust by the United States for the benefit of the Navajo Nation. Our rights-of-way on lands crossing the Navajo Nation are the subject of a pending renewal application filed in 2005 with the Department of the Interior's Bureau of Indian Affairs. In March 2009, representatives of the Navajo Nation and EPNG executed an agreement setting forth the terms and conditions of the Nation's consent to EPNG's rights-of-way. Under this agreement, we will make annual payments of approximately \$18 million for our rights-of-way beginning in 2009 and continuing through 2025, subject to annual adjustments. EPNG submitted the Navajo Nation's consent agreement in support of EPNG's pending application to the United States Department of the Interior (the Department) for an extension of the Department's current right-of-way grant. We expect that the submission of the consent agreement will result in the Department's final processing of our application. EPNG has filed with the FERC for recovery of these amounts in its recent rate case.

Environmental Matters

We are subject to federal, state and local laws and regulations governing environmental quality and pollution control. These laws and regulations require us to remove or remedy the effect on the environment of the disposal or release of specified substances at current and former operating sites. At March 31, 2009, we had accrued approximately \$201 million for environmental matters, which has not been reduced by \$24 million for amounts to be paid directly under government sponsored programs or through settlement arrangements. Our accrual includes approximately \$195 million for expected remediation costs and associated onsite, offsite and groundwater technical studies and approximately \$6 million for related environmental legal costs. Of the \$201 million accrual, \$17 million was reserved for facilities we currently operate and \$184 million was reserved for non-operating sites (facilities that are shut down or have been sold) and Superfund sites.

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Our estimates of potential liability range from approximately \$201 million to approximately \$383 million. Our accrual represents a combination of two estimation methodologies. First, where the most likely outcome can be reasonably estimated, that cost has been accrued (\$12 million). Second, where the most likely outcome cannot be estimated, a range of costs is established (\$189 million to \$371 million) and if no one amount in that range is more likely than any other, the lower end of the expected range has been accrued. Our environmental remediation projects are in various stages of completion. Our recorded liabilities reflect our current estimates of amounts we will expend to remediate these sites. However, depending on the stage of completion or assessment, the ultimate extent of contamination or remediation required may not be known. As additional assessments occur or remediation efforts continue, we may incur additional liabilities. By type of site, our reserves are based on the following estimates of reasonably possible outcomes:

Sites	March 31, 2009	
	Expected	High
	(In millions)	
Operating	\$ 17	\$ 23
Non-operating	165	318
Superfund	19	42
Total	\$ 201	\$ 383

Below is a reconciliation of our accrued liability from January 1, 2009 to March 31, 2009 (in millions):

Balance as of January 1, 2009	\$ 204
Additions/adjustments for remediation activities	6
Payments for remediation activities	(9)
Balance as of March 31, 2009	\$ 201

For the remainder of 2009, we estimate that our total remediation expenditures will be approximately \$59 million, most of which will be expended under government directed clean-up plans. In addition, we expect to make capital expenditures for environmental matters of approximately \$9 million in the aggregate for the years 2009 through 2013. These expenditures primarily relate to compliance with clean air regulations.

CERCLA Matters. As part of our environmental remediation projects, we have received notice that we could be designated, or have been asked for information to determine whether we could be designated, as a Potentially Responsible Party (PRP) with respect to 30 active sites under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or state equivalents. We have sought to resolve our liability as a PRP at these sites through indemnification by third parties and settlements, which provide for payment of our allocable share of remediation costs. Because the clean-up costs are estimates and are subject to revision as more information becomes available about the extent of remediation required, and in some cases we have asserted a defense to any liability, our estimates could change. Moreover, liability under the federal CERCLA statute is joint and several, meaning that we could be required to pay in excess of our pro rata share of remediation costs. Our understanding of the financial strength of other PRPs has been considered, where appropriate, in estimating our liabilities. Accruals for these issues are included in the previously indicated estimates for Superfund sites.

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It is possible that new information or future developments could require us to reassess our potential exposure related to environmental matters. We may incur significant costs and liabilities in order to comply with existing environmental laws and regulations. It is also possible that other developments, such as increasingly strict environmental laws, regulations and orders of regulatory agencies, as well as claims for damages to property and the environment or injuries to employees and other persons resulting from our current or past operations, could result in substantial costs and liabilities in the future. As this information becomes available, or other relevant developments occur, we will adjust our accrual amounts accordingly. While there are still uncertainties related to the ultimate costs we may incur, based upon our evaluation and experience to date, we believe our reserves are adequate.

Greenhouse Gas (GHG) Emissions. Legislative and regulatory measures to address GHG emissions are in various phases of discussions or implementation at the international, national, regional and state levels. These measures include the Kyoto Protocol, which has been ratified by some of the international countries in which we have operations such as Mexico, Brazil, and Egypt. In the United States, it is likely that federal legislation requiring GHG controls will be enacted in the next few years. In addition, the United States Environmental Protection Agency (EPA) is considering initiating a rulemaking to regulate GHGs under the Clean Air Act. Furthermore, the EPA recently issued proposed regulations requiring monitoring and reporting of GHG emissions on an annual basis economy wide, including extensive new monitoring and reporting requirements applicable to our industry. The EPA has also recently proposed findings that GHGs in the atmosphere endanger public health and welfare and that emissions from mobile sources cause or contribute to GHGs in the atmosphere. These proposed findings, if finalized as proposed, would not immediately affect our operations, but standards eventually promulgated pursuant to these findings could affect our operations and ability to obtain air permits for new or modified facilities. Legislation and regulation are also in various stages of discussion or implementation in many of the states in which we operate. These measures include recommendations released by the Western Climate Initiative regarding a cap-and-trade program and targeted emission reductions in several states in which we operate in the western United States. In California, recently enacted legislation and proposed rules would impose GHG emission reduction targets on our operations there. Meanwhile, lawsuits have been filed seeking to force the federal government to regulate GHG emissions under the Clean Air Act and to require individual companies to reduce GHG emissions from their operations. These and other lawsuits may result in decisions by state and federal courts and agencies that could impact our operations and ability to obtain certifications and permits to construct future projects. Our costs and legal exposure related to GHG regulations are not currently determinable.

Guarantees and Other Contractual Commitments

Guarantees and Indemnifications. We are involved in various joint ventures and other ownership arrangements that sometimes require financial and performance guarantees. In a financial guarantee, we are obligated to make payments if the guaranteed party fails to make payments under, or violates the terms of, the financial arrangement. In a performance guarantee, we provide assurance that the guaranteed party will execute on the terms of the contract. If they do not, we are required to perform on their behalf. We also periodically provide indemnification arrangements related to assets or businesses we have sold. These arrangements include, but are not limited to, indemnifications for income taxes, the resolution of existing disputes and environmental matters.

Our potential exposure under guarantee and indemnification agreements can range from a specified amount to an unlimited dollar amount, depending on the nature of the claim and the particular transaction. While many of these agreements may specify a maximum potential exposure, or a specified duration to the indemnification obligation, there are circumstances where the amount and duration are unlimited. For those arrangements with a specified dollar amount, we have a maximum stated value of approximately \$811 million, which primarily relates to indemnification arrangements associated with the sale of ANR Pipeline Company in 2007, our Macae power facility in Brazil, and other legacy assets. These amounts exclude guarantees for which we have issued related letters of credit discussed in Note 8. Included in the above maximum stated value are certain indemnification agreements that have expired; however, claims were made prior to the expiration of the related claim periods. We are unable to estimate a maximum exposure of our guarantee and indemnification agreements that do not provide for limits on the amount of future payments due to the uncertainty of these exposures.

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As of March 31, 2009, we have recorded obligations of \$78 million related to our indemnification arrangements. Our liability consists primarily of an indemnification that one of our subsidiaries provided related to its sale of an ammonia facility that is reflected in our financial statements at its estimated fair value. We have provided a partial parental guarantee of our subsidiary's obligations under this indemnification. We believe that our guarantee and indemnification agreements for which we have not recorded a liability are not probable of resulting in future losses based on our assessment of the nature of the guarantee, the financial condition of the guaranteed party and the period of time that the guarantee has been outstanding, among other considerations.

Commitments, Purchase Obligations and Other Matters. On April 13, 2009, TGP filed an amendment to a 1995 FERC settlement that, if approved by the FERC, would provide for interim refunds to its customers of approximately \$157 million of amounts collected related to certain environmental costs. These refunds are recorded as other liabilities on our balance sheet and are expected to be paid over a three year period with interest commencing the later of July 1, 2009 or within 20 days of the FERC's approval.

10. Retirement Benefits

Net Benefit Cost (Income). The components of net benefit cost (income) for our pension and postretirement benefit plans for the quarters ended March 31, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2009	2008	2009	2008
	(In millions)			
Service cost	\$ 4	\$ 4	\$	\$
Interest cost	30	30	9	7
Expected return on plan assets	(43)	(47)	(3)	(4)
Amortization of net actuarial loss (gain)	11	6		(1)
Amortization of prior service credit ⁽¹⁾		(1)		
Net benefit cost (income)	\$ 2	\$ (8)	\$ 6	\$ 2

(1) As permitted, the amortization of any prior service credit is determined using a straight-line amortization of the credit over the average remaining service period of employees expected to receive benefits under the plan, or in the case of retired participants,

over the average
remaining life.

Other Matter. In various court rulings prior to March 2008, we were required to indemnify Case for certain benefits paid to a closed group of Case retirees as further discussed in Note 9. In conjunction with those rulings, we recorded a liability for estimated amounts due under the indemnification using actuarial methods similar to those used in estimating our postretirement benefit plan obligations. This liability, however, was not included in our postretirement benefit obligations or disclosures prior to March 2008.

In March 2008, we received a summary judgment from the trial court on this matter, and thus became the primary party that is obligated to pay these benefit payments. As a result of the judgment, we adjusted our obligation using current actuarial assumptions and recorded a \$65 million reduction to operation and maintenance expense. We also reclassified this obligation from an indemnification liability to a postretirement benefit obligation.

Table of Contents**11. Equity**

Common and Preferred Stock Dividends. The table below shows the amount of dividends paid and declared (dollars in millions, except per share amount):

	Common Stock (\$0.05/Share)	Convertible Preferred Stock (4.99%/Year)
Amount paid through March 31, 2009	\$ 35	\$ 9
Amount paid in April 2009	\$ 34	\$ 9
Declared in May 2009:		
Date of declaration	May 6, 2009	May 6, 2009
Payable to shareholders on record	June 5, 2009	June 15, 2009
Date payable	July 1, 2009	July 1, 2009

Dividends on our common stock and preferred stock are treated as a reduction of additional paid-in-capital since we currently have an accumulated deficit. For the remainder of 2009, we expect dividends paid on our common and preferred stock will be taxable to our stockholders because we anticipate that these dividends will be paid out of current or accumulated earnings and profits for tax purposes.

The terms of our 750,000 outstanding shares of 4.99% convertible preferred stock provide for the conversion ratio on our preferred stock to increase when we pay quarterly dividends to our common shareholders in excess of \$0.04 per share, as we did in January 2009. The terms of these preferred shares also prohibit the payment of dividends on our common stock unless we have paid or set aside for payment all accumulated and unpaid dividends on such preferred stock for all preceding dividend periods. In addition, although our credit facilities do not contain any direct restriction on the payment of dividends, dividends are included as a fixed charge in the calculation of our fixed charge coverage ratio under our credit facilities. If we are unable to comply with our fixed charge coverage ratio, our ability to pay additional dividends would be restricted.

Noncontrolling Interests. In November 2007, we issued common units in our subsidiary (EPB), a master limited partnership, and recorded noncontrolling interests in our balance sheet of \$537 million. During the quarters ended March 31, 2009 and 2008, EPB made cash distributions of \$10 million and \$4 million to its non-affiliated common unitholders.

12. Business Segment Information

As of March 31, 2009, our business consists of two core segments, Pipelines and Exploration and Production. We also have Marketing and Power segments. Our segments are strategic business units that provide a variety of energy products and services. They are managed separately as each segment requires different technology and marketing strategies. Our corporate activities include our general and administrative functions, as well as other miscellaneous businesses and various other contracts and assets, all of which are immaterial. A further discussion of each segment follows.

Pipelines. Provides natural gas transmission, storage, and related services, primarily in the United States. As of March 31, 2009, we conducted our activities primarily through seven wholly or majority owned interstate pipeline systems and equity interests in four transmission systems. We also own or have interests in two underground natural gas storage facilities, and two LNG terminalling facilities, one of which is under construction.

Exploration and Production. Engaged in the exploration for and the acquisition, development and production of natural gas, oil and NGL, in the United States, Brazil and Egypt.

Marketing. Markets and manages the price risks associated with our natural gas and oil production as well as manages our remaining legacy trading portfolio.

Power. Manages the risks associated with our remaining international power and pipeline assets and investments located primarily in South America and Asia. We continue to pursue the sale of these assets.

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Our management uses earnings before interest expense and income taxes (EBIT) as a measure to assess the operating results and effectiveness of our business segments which consist of both consolidated businesses and investments in unconsolidated affiliates. We believe EBIT is useful to our investors because it allows them to evaluate more effectively the operating performance using the same performance measure analyzed internally by our management. We define EBIT as net income (loss) adjusted for items such as (i) interest and debt expense (ii) income taxes and (iii) net income attributable to noncontrolling interests so that our investors may evaluate our operating results without regard to our financing methods or capital structure. EBIT may not be comparable to measures used by other companies. Additionally, EBIT should be considered in conjunction with net income (loss), income (loss) before income taxes and other performance measures such as operating income or operating cash flow. Below is a reconciliation of our EBIT to our net income (loss) for the periods ended March 31:

	2009	2008
	(In millions)	
Segment EBIT	\$ (1,233)	\$ 561
Corporate and other	(7)	39
Interest and debt expense	(255)	(233)
Income taxes	526	(148)
Net income (loss) attributable to El Paso Corporation	(969)	219
Net income attributable to noncontrolling interests	12	9
Net income (loss)	\$ (957)	\$ 228

The following table reflects our segment results for the quarters ended March 31:

	Segments				Corporate and Other⁽¹⁾	Total
	Pipelines	Exploration and Production	Marketing	Power		
	(In millions)					
2009						
Revenue from external customers	\$ 721	\$ 574 ⁽²⁾	\$ 188	\$	\$ 1	\$ 1,484
Intersegment revenue	12	126 ⁽²⁾	(135)		(3)	
Operation and maintenance	183	109	1	2	5	300
Ceiling test charges		2,068				2,068
Depreciation, depletion and amortization	104	150			2	256
Earnings (losses) from unconsolidated affiliates	21	(9)		6	1	19
EBIT	396	(1,685)	52	4	(7)	(1,240)
2008						
Revenue from external customers	\$ 707	\$ 83 ⁽²⁾	\$ 469	\$	\$ 10	\$ 1,269
Intersegment revenue	13	520 ⁽²⁾	(526)		(7)	
Operation and maintenance	195	108	2	5	(39)	271
Depreciation, depletion and amortization	99	212			2	313
Earnings from unconsolidated affiliates	21	10		5	1	37
EBIT	381	242	(60)	(2)	39	600

(1)

Includes eliminations of intercompany transactions.

Our intersegment revenues, along with our intersegment operating expenses, were incurred in the normal course of business between our operating segments.

During the quarters ended March 31, 2009 and 2008, we recorded an intersegment revenue elimination of \$3 million and \$6 million in the Corporate and Other column to remove intersegment transactions.

- (2) Revenues from external customers include gains and losses related to our hedging of price risk associated with our natural gas and oil production. Intersegment revenues represent sales to our Marketing segment, which is responsible

for marketing
our production
to third parties.

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Total assets by segment are presented below:

	March 31, 2009	December 31, 2008
	(In millions)	
Pipelines	\$ 15,504	\$ 15,121
Exploration and Production	4,070	6,142
Marketing	303	465
Power	313	417
Total segment assets	20,190	22,145
Corporate and Other	2,234	1,523
Total consolidated assets	\$ 22,424	\$ 23,668

13. Investments in, Earnings from and Transactions with Unconsolidated Affiliates

We hold investments in unconsolidated affiliates which are accounted for using the equity method of accounting. The earnings from unconsolidated affiliates reflected in our income statement include (i) our share of net earnings directly attributable to these unconsolidated affiliates, and (ii) any impairments and other adjustments recorded by us. The information below related to our unconsolidated affiliates includes (i) our net investment and earnings (losses) we recorded from these investments, (ii) summarized financial information of our proportionate share of these investments, and (iii) revenues and charges with our unconsolidated affiliates.

	Investment		Earnings (Losses) from Unconsolidated Affiliates	
	March 31, 2009	December 31, 2008	Quarter Ended March 31, 2009 2008	
	(In millions)		(In millions)	
<i>Net Investment and Earnings (Losses)</i>				
Four Star ⁽¹⁾	\$ 512	\$ 525	\$ (10)	\$ 10
Citrus	578	564	14	13
Gulf LNG ⁽²⁾	278	279		
Gasoductos de Chihuahua	180	174	6	7
Porto Velho ⁽³⁾		(64)		
Bolivia-to-Brazil Pipeline	113	119	4	3
Argentina to Chile Pipeline	29	27	2	1
Other	74	79	3	3
Total	\$ 1,764	\$ 1,703	\$ 19	\$ 37

(1) Amortization of our purchase cost in excess of the underlying net assets of Four Star

was \$12 million and \$14 million for the quarters ended March 31, 2009 and 2008.

- (2) In February 2008, we acquired a 50 percent interest in Gulf LNG. See Note 2.
- (3) As of December 31, 2008, we had outstanding advances and receivables of \$242 million, not included above, related to our investment in Porto Velho. In February 2009, we completed the sale of our investment in and receivables from Porto Velho as further discussed in *Other Investment-Related Matters* below.

**Quarter Ended
March 31,
2009 2008
(In millions)**

Summarized Financial Information

Operating results data:

Operating revenues	\$ 123	\$ 186
Operating expenses	68	93
Income from continuing operations and net income	35	56

We received distributions and dividends from our unconsolidated affiliates of \$12 million and \$60 million for the quarters ended March 31, 2009 and 2008. Included in these amounts for the quarter ended March 31, 2009 and 2008 are returns of capital of approximately \$1 million and less than \$1 million. Our revenues and charges with unconsolidated affiliates were not material during the quarters ended March 31, 2009 and 2008.

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Accounts Receivable Sales Program. Several of our pipeline subsidiaries have agreements to sell certain accounts receivable to qualifying special purpose entities (QSPEs) under SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. The QSPEs purpose is solely to invest in our pipeline receivables which are short-term assets that generally settle within 60 days. As of March 31, 2009 and December 31, 2008, we sold approximately \$159 million and \$174 million of receivables, received cash of approximately \$79 million and \$82 million, and received subordinated beneficial interests of approximately \$80 million and \$89 million. The QSPEs also issued senior beneficial interests on the receivables sold to a third party financial institution, which totaled \$79 million and \$85 million as of March 31, 2009 and December 31, 2008. We recognized a loss of less than \$1 million related to our transactions with these QSPEs during the quarters ended March 31, 2009 and 2008. We reflect the subordinated beneficial interest in receivables sold at their fair value on the date they are issued. These amounts (adjusted for subsequent collections) are recorded as accounts receivable from affiliates in our balance sheet. Our ability to recover our carrying value of our subordinated beneficial interests is based on the collectibility of the underlying receivables sold to the QSPEs. We reflect accounts receivable sold under this program and changes in the subordinated beneficial interests as operating cash flows in our statement of cash flows. Under the agreements, we earn a fee for servicing the accounts receivable and performing all administrative duties for the QSPEs which is reflected as a reduction of operation and maintenance expense in our income statement. The fair value of these servicing and administrative agreements as well as the fees earned were not material to our financial statements for the periods ended March 31, 2009 and 2008.

Other Investment-Related Matters

Porto Velho. In February 2009, we completed the sale of our interests in Porto Velho to our partner in the project for \$101 million of cash and \$78 million of notes receivable from the buyer that have an 8.25% annual interest rate and mature in 2013.

Manaus/Rio Negro. In 2008, we transferred our ownership in the Manaus and Rio Negro facilities to the plants power purchaser as required by their power purchase agreements. As of March 31, 2009, we have approximately \$50 million of Brazilian reais-denominated accounts receivable owed to us under the projects terminated power purchase agreements, which are guaranteed by the purchaser's parent. The purchaser has withheld payment of these receivables in light of their Brazilian reais-denominated claims of approximately \$48 million related to plant maintenance the purchaser claims should have been performed at the plants prior to the transfer, inventory levels and other items. We have been in discussions with the purchaser and have initiated regulatory proceedings to allow us to settle these outstanding claims and recover our accounts receivable. We may also initiate legal action against the purchaser's parent to collect our receivables, under its guarantee to the projects. We have reviewed our obligations under the power purchase agreement in relation to the claims and have accrued an obligation for the uncontested claims. We believe the remaining contested claims are without merit. The ultimate resolution of each of these matters is unknown at this time, and adverse developments related to either our ability to collect amounts due to us or related to the dispute could require us to record additional losses in the future.

During 2009, the Brazilian taxing authorities began legal proceedings against the Manaus and Rio Negro projects for \$47 million of ICMS taxes allegedly due on capacity payments received from the plants power purchaser from 1999 to 2001. By agreement, the power purchaser must indemnify the Manaus and Rio Negro projects for these ICMS taxes, along with related interest and penalties, and is therefore defending the projects against this lawsuit. In order to stay the taxing authorities collection efforts related to this matter and secure this potential liability, the power purchaser offered to pledge certain of its assets; however, this pledge was rejected by the Brazilian courts. We have called on the power purchaser's parent to provide security satisfactory to the courts under its parental guarantee to us. We anticipate that if we reach an agreement on the matters described above (other than those related to ICMS taxes), the power purchaser will reaffirm its responsibility for any amounts related to this ICMS tax matter.

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Investment in Bolivia and Argentina. We own an 8 percent interest in the Bolivia-to-Brazil pipeline and a 22 percent interest in the Argentina-to-Chile pipeline. As of March 31, 2009, our total investment and guarantees related to these pipeline projects was approximately \$164 million. Discussions with a group of our partners regarding the sale of our interest in the Argentina-to-Chile pipeline to them have continued to progress and we expect to complete the sale in mid-2009. We continue to monitor and evaluate the potential impact that regional and political events in Bolivia and Argentina could have on our investments in these pipeline projects, as further discussed in our 2008 Annual Report on Form 10-K. As new information becomes available or future material developments arise, we may be required to record an impairment of our investments.

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Table of Contents**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The information contained in Item 2 updates, and you should read it in conjunction with, information disclosed in our 2008 Annual Report on Form 10-K, and the financial statements and notes presented in Item 1 of this Quarterly Report on Form 10-Q.

Overview and Outlook

During the quarter ended March 31, 2009, our pipeline operations continued to provide a strong base of earnings and operating cash flow. In our pipeline business, approximately three-fourths of the revenues are collected in the form of demand or reservation charges which are not dependent upon commodity prices or throughput levels. We remain focused on implementing the nearly \$8 billion backlog of committed pipeline growth projects, with several of those projects expected to commence service in 2009.

In our exploration and production business, we continued to generate significant positive operating cash flow during the quarter despite a low commodity price environment, principally as a result of derivatives we have in place related to our 2009 production. As of March 31, 2009, we had 120 TBtu of natural gas hedges with an average floor price of \$9.02 per MMBtu and an average ceiling price of \$14.35 per MMBtu and 1,348 MBbls of crude oil swaps at \$45 per barrel on our remaining anticipated 2009 production. However, lower natural gas prices at the end of the first quarter of 2009 resulted in approximately \$2.1 billion of non-cash ceiling test charges, primarily in our domestic full cost pool, which significantly impacted our overall first quarter 2009 results. The ceiling test charges did not consider the value of our financial derivative contracts which was \$573 million as of March 31, 2009. If commodity prices decrease further and we do not experience anticipated further reductions in oilfield service costs, we may be required to record additional non-cash ceiling test charges in the future.

In both of our core businesses, we have implemented various cost saving measures to reduce our capital, operating, and general and administrative costs. These measures include reducing drilling activity in our exploration and production business until we experience further expected reductions in oilfield service costs, realizing cost reductions in our capital and maintenance programs by renegotiating contracts with contractors, suppliers and service providers, and deferring and eliminating various discretionary costs.

The volatility in the financial markets, the energy industry and the global economy is expected to continue for the remainder of 2009 and possibly beyond. This could impact our longer-term access to capital for future growth projects as well as the cost of such capital, and may require us to further adjust our current financing and business plans. Additionally, commodity prices for natural gas and oil have been and are expected to remain volatile, and although we have attempted to mitigate the effects of these reductions in commodity prices by entering into derivative contracts on our natural gas and oil production, we still have a portion of our production subject to the current lower commodity price environment as further described below. Finally, while the impacts are difficult to quantify, a continued downward trend in the global economy could have adverse impacts on natural gas consumption and demand over time. All of these factors may impact our outlook for the remainder of 2009 and beyond.

As of March 31, 2009, we had approximately \$3.3 billion of available liquidity (see *Liquidity and Capital Resources*) and have designed our 2009 plans to address the impacts of current volatility in the global financial markets. Based on our activities to date, we do not anticipate a need to further access the capital markets to meet our 2009 debt maturities or fund our 2009 capital program, regardless of whether we are successful in obtaining equity partners on any of our capital projects. When prudent, however, we will continue to be opportunistic in building liquidity to meet our long-term capital needs. There are no assurances, however, that we will be able to access the financial markets to fund our long-term capital needs. Our 2009 plans are also designed to retain our long-term growth potential, including our committed pipeline project backlog and our core domestic and international drilling programs, as well as our natural gas and oil resource positions. In light of the current volatility of the financial markets, the energy industry and the global economy, it is possible additional adjustments to our plan and outlook will be required which could impact our financial and operating performance.

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Currently, these plans include:

Capital Expenditures. Planned 2009 capital expenditures between approximately \$2.7 billion to \$3.0 billion, with \$1.7 billion of capital being spent in our pipeline business and \$0.9 billion to \$1.2 billion in our exploration and production business. Our \$1.7 billion of planned pipeline capital reflects equity partnering on one or more of our expansion projects. In our exploration and production business, although it will also impact our near-term growth profile in this business, the objective of reductions in our capital program is to retain substantially all of our existing natural gas and oil resource positions for future exploration and production when commodity prices and oilfield service costs return to more favorable levels.

Asset Sales. We have sold or are evaluating the sale of several non-core assets generating cash proceeds of approximately \$0.4 billion in 2009, of which approximately \$0.2 billion have already been completed.

Other Liquidity Sources. We will continue to be opportunistic in generating additional liquidity, which may include additional asset sales or partnering opportunities on expansion projects. To the extent these opportunities are delayed or cannot be completed, there is a further decline in commodity prices or we experience other major disruptions in the financial markets, we could also pursue other alternatives, including additional reductions in our discretionary capital program, further reductions in operating and general and administrative expenses, additional secured financing arrangements, seeking additional partners for one or more of our other growth projects or selling additional non-core assets.

Our plans were determined based on a number of factors, the most significant of which are described below and in further detail in our 2008 Annual Report on Form 10-K:

Debt Capital Structure. Our debt capital structure is 82 percent fixed interest rates and 18 percent floating interest rates. Accordingly, we believe we have lessened exposure to market changes in interest rates on our existing debt which impact our interest costs.

Revenue and Price Sensitivities. As previously discussed, we have mitigated our sensitivity to commodity prices with approximately three-fourths of our pipeline revenues collected in the form of demand or reservation charges and derivative contracts in our exploration and production business. As noted above, we have significant derivative contracts in place for our 2009 natural gas and oil production. We have also entered into derivative contracts on a substantial portion of our anticipated 2010 natural gas production and a portion of our 2011 natural gas production to mitigate exposure to low commodity prices; however, we continue to have some commodity price exposure in 2010 and beyond. Finally, in the event of lower oil or natural gas prices, we currently have unencumbered exploration and production properties and reserves that we could pledge as collateral to maintain our current available borrowing base under the revolving credit facilities at our exploration and production subsidiary.

Counterparty Risk. We continue to monitor the financial situation of our major lenders, derivative counterparties, customers, joint interest partners, vendors and suppliers, and enforce our contractual rights with regard to obtaining collateral or providing credit.

Lending Institutions. As of March 31, 2009, we have determined the potential exposure to a loss of available capacity under our credit agreements, due to our assessment of our lenders' ability to fund, to be approximately \$30 million from El Paso's \$1.5 billion revolving credit facility, approximately \$2 million from EPEP's \$1.0 billion revolving credit facility, and approximately \$15 million under EPB's \$750 million credit facility.

Table of Contents**Segment Results**

We have two core operating business segments, Pipelines and Exploration and Production. We also have a Marketing segment that markets our natural gas and oil production and manages our legacy trading activities and a Power segment that has interests in power and pipeline assets in South America and Asia. Our segments are managed separately, provide a variety of energy products and services, and require different technology and marketing strategies. Our corporate activities include our general and administrative functions, as well as other miscellaneous businesses, contracts and assets all of which are immaterial.

Our management uses earnings before interest expense and income taxes (EBIT) as a measure to assess the operating results and effectiveness of our business segments, which consist of both consolidated businesses and investments in unconsolidated affiliates. We believe EBIT is useful to our investors because it allows them to evaluate more effectively our operating performance using the same performance measure analyzed internally by our management. We define EBIT as net income (loss) adjusted for items such as (i) interest and debt expense, (ii) income taxes and (iii) net income attributable to noncontrolling interests so that our investors may evaluate our operating results without regard to our financing methods or capital structure. EBIT may not be comparable to measurements used by other companies. Additionally, EBIT should be considered in conjunction with net income (loss), income (loss) before income taxes and other performance measures such as operating income or operating cash flows.

Below is a reconciliation of our EBIT (by segment) to our consolidated net income (loss) for the quarters ended March 31:

	2009	2008
	(In millions)	
<i>Segment</i>		
Pipelines	\$ 396	\$ 381
Exploration and Production	(1,685)	242
Marketing	52	(60)
Power	4	(2)
Segment EBIT	(1,233)	561
Corporate and other	(7)	39
Consolidated EBIT	(1,240)	600
Interest and debt expense	(255)	(233)
Income taxes	526	(148)
Net income (loss) attributable to El Paso Corporation	(969)	219
Net income attributable to noncontrolling interests	12	9
Net income (loss)	\$ (957)	\$ 228

Table of Contents**Pipelines Segment**

Overview and Operating Results. During the first quarter of 2009, we continued to deliver strong operational and financial performance across all pipelines. Our first quarter 2009 EBIT increased four percent from the first quarter 2008 or eight percent when excluding the impact of the Calpine settlement and asset impairments in 2008. In the first quarter of 2009, we benefited from several expansion projects placed in service in 2008. Below are the operating results for our Pipelines segment as well as a discussion of factors impacting EBIT for the quarters ended March 31, 2009 and 2008, or that could potentially impact EBIT in future periods.

	2009	2008
	(In millions, except for volumes)	
Operating revenues	\$ 733	\$ 720
Operating expenses	(366)	(363)
Operating income	367	357
Other income, net	41	33
EBIT before adjustment for noncontrolling interests	408	390
Net income attributable to noncontrolling interests	(12)	(9)
EBIT	\$ 396	\$ 381
Throughput volumes (BBtu/d) ⁽¹⁾	19,704	19,321

(1) Throughput volumes include our proportionate share of unconsolidated affiliates and exclude intrasegment activities.

	Operating Revenue	Variance		EBIT Impact
		Operating Expense	Other	
		Favorable/(Unfavorable)		
		(In millions)		
Expansions	\$ 19	\$ (5)	\$ 8	\$ 22
Reservation and usage revenues	27			27
Gas not used in operations and revaluations	1	(6)		(5)
Calpine bankruptcy settlement	(29)			(29)
Loss on long-lived assets		16		16
Hurricanes		(4)		(4)
Net income attributable to noncontrolling interests			(3)	(3)
Other ⁽¹⁾	(5)	(4)		(9)

Total impact on EBIT	\$	13	\$	(3)	\$	5	\$	15
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- (1) Consists of individually insignificant items on several of our pipeline systems.

Expansions. During the first quarter of 2009, we benefited from increased reservation revenues and throughput volumes due to projects placed in service throughout 2008 including the Kanda lateral project, Phase I of the Southeast Supply Header project, the Medicine Bow expansion and the High Plains Pipeline.

We continue to make progress on our nearly \$8 billion backlog of expansion projects, spending \$0.2 billion during the quarter ended March 31, 2009 and approximately \$1.5 billion inception-to-date on these projects. These projects are substantially fully contracted with customers and will be placed in service over the next five years. In addition, financings have been completed to fund our \$1.3 billion expansion capital plan in 2009 and a substantial portion of the capital needs for the Gulf LNG and FGT Phase VIII projects. Over the next twelve months, we expect six projects to be placed in-service representing \$1.1 billion of the expansion backlog.

During the first quarter of 2009, we agreed with our customer to defer the anticipated in-service date for our Raton 2010 project from June 2010 to December 2010. For a further discussion of our expansion projects, see our 2008 Annual Report on Form 10-K.

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Reservation and Usage Revenues. During the quarter ended March 31, 2009, our EBIT was favorably impacted by (i) increased reservation and other service revenues on our EPNG system primarily due to higher contracted capacity to California customers and an increase in EPNG's tariff rates effective January 1, 2009, subject to refund, (ii) increased revenues for the off-system and mainline capacity on our Rocky Mountain region systems primarily due to renegotiated contract terms and new contracts and (iii) higher realized rates in the northern region and additional capacity sales in the southern region of our TGP system. For a further discussion of our EPNG rate case, see *Other Regulatory Matters* below.

Gas Not Used in Operations and Revaluations. During 2008, CIG and WIC implemented FERC-approved fuel and related gas cost recovery mechanisms designed to reduce earnings volatility resulting from these items over time which favorably impacted our EBIT in the first quarter of 2008. Partially offsetting this impact were higher average prices realized on operational sales of gas not used in our TGP system during the quarter ended March 31, 2009.

Calpine Bankruptcy Settlement. During the first quarter of 2008, we received a partial distribution under Calpine's approved plan of reorganization and recorded revenue of \$29 million.

Loss on Long-Lived Assets. During the first quarter of 2008, we recorded impairments of \$16 million primarily related to our decision not to proceed with the Essex-Middlesex Lateral project due to its prolonged permitting process and changing market conditions.

Hurricanes. We continue to repair damages to sections of our Gulf Coast and offshore pipeline facilities due to Hurricanes Ike and Gustav which occurred in 2008. For the quarter ended March 31, 2009, our EBIT was unfavorably impacted by repair costs that will not be recoverable from insurance due to losses not exceeding self-retention levels. See *Liquidity and Capital Resources* for a further discussion of these hurricanes.

Noncontrolling Interests. During the quarter ended March 31, 2009, our net income attributable to noncontrolling interests increased as compared to the same period in 2008 due to the additional contribution of interests in CIG and SNG to our majority-owned master limited partnership during September 2008.

Other Regulatory Matters. Our pipeline systems periodically file for changes in their rates, which are subject to the approval of the FERC. Changes in rates and other tariff provisions resulting from these regulatory proceedings have the potential to positively or negatively impact our profitability. Currently, while certain of our pipelines are expected to continue operating under their existing rates, other pipelines have projected upcoming rate actions with anticipated effective dates in late 2009 through 2011.

In June 2008, EPNG filed a rate case with the FERC as required under the settlement of its previous rate case. The filing proposed an increase in its base tariff rates. In August 2008, the FERC issued an order accepting the proposed rates effective January 1, 2009, subject to refund and the outcome of a hearing and a technical conference. The FERC issued an order in December 2008 that generally accepted most of EPNG's proposals in the technical conference proceeding.

In March 2009, SNG filed a rate case with the FERC as permitted under the settlement of its previous rate case. The filing proposed an increase in SNG's base tariff rates. In April 2009, the FERC issued an order accepting the proposed rates effective September 1, 2009, subject to refund and the outcome of a hearing and a technical conference on certain tariff proposals. The FERC appointed an administrative law judge who will decide the rate case issues should SNG be unable to reach a settlement with its customers.

Table of Contents**Exploration and Production Segment***Overview and Strategy*

Our Exploration and Production segment conducts our natural gas and oil exploration and production activities. The profitability and performance of this segment are driven by the ability to locate and develop economic natural gas and oil reserves and extract those reserves at the lowest possible production and administrative costs. Accordingly, we manage this business with the goal of creating value through disciplined capital allocation, cost control and portfolio management. Our strategy focuses on building and applying competencies in assets with repeatable programs, executing to improve capital and expense efficiency, and maximizing returns by adding assets and inventory that match our competencies and divesting assets that do not. For a further discussion of our business strategy in our production business, see our 2008 Annual Report on Form 10-K.

Our domestic natural gas and oil reserve portfolio blends lower decline rate, typically longer lived assets in our Central and Western regions, with steeper decline rate, shorter lived assets in our Texas Gulf Coast and Gulf of Mexico and south Louisiana regions. In April 2009, we made a decision to reorganize our domestic exploration and production operations by combining our Texas Gulf Coast and Gulf of Mexico and south Louisiana regions which was effective May 1, 2009.

During the first quarter of 2009, we sold domestic non-core natural gas producing properties in our Western and Central regions for approximately \$93 million.

Internationally, our portfolio consists of producing fields along with projects in several exploration and development areas of interest in offshore Brazil and exploration projects in Egypt. Success of our international programs in Brazil and Egypt will require effective project management, strong partner relations and obtaining approvals from regulatory agencies, although current economic conditions may dictate the timing of our spending. In Egypt, in the first quarter of 2009 we exchanged a 40 percent working interest in our South Mariut block for an equal working interest in the Tanta block. In addition, we successfully bid to farm-in a 50 percent working interest in the South Alamein block located in the Western Desert and are awaiting final government approval. CEPSA Egypt S.A. B.V., the operator of the block, spud the first exploratory well on the block in February 2009. These transactions expand our acreage position and diversify our portfolio in Egypt.

During the first quarter of 2009, the industry experienced continued reductions in the market price of natural gas from already reduced levels at December 31, 2008. Furthermore, while service and equipment costs have declined, they have not declined commensurate with the reduction in commodity prices. Accordingly, we recorded non-cash ceiling test charges of approximately \$2.1 billion in the first quarter of 2009 as described further in *Operating Results and Variance Analysis* below. Low commodity prices and high service, equipment and material costs have continued to challenge our economic assumptions on development and exploration in 2009. Coupled with unprecedented challenges in the credit markets, these events resulted in us reducing capital spending in late 2008 and our anticipated capital program in 2009 as previously disclosed in our 2008 Annual Report on Form 10-K. Based on these lower spending levels, we expect our 2009 production volumes to be down from two percent to ten percent compared to 2008.

Significant Operational Factors Affecting the Quarter Ended March 31, 2009

Production. Our average daily production for the three months ended March 31, 2009 was 731 MMcfe/d (which does not include 72 MMcfe/d from our share of production from our equity investment in Four Star). Below is an analysis of our production volumes by region for the quarters ended March 31:

	2009	2008
	MMcfe/d	
United States		
Central	245	241
Western	164	149
Texas Gulf Coast	203	236
Gulf of Mexico and south Louisiana	110	173
International		

Brazil	9	12
Total Consolidated	731	811
Four Star	72	75

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In the first quarter of 2009, production volumes increased in our Central and Western regions. Central region production volumes increased as a result of our successful Arklatex drilling programs including the Haynesville Shale, while our Western region production volumes increased in both the Rockies and the Raton Basin. In our Texas Gulf Coast region, production volumes decreased primarily due to sales of assets in 2008 and 2009, while Gulf of Mexico and south Louisiana region production volumes decreased due to the impacts of asset sales and ongoing impacts of Hurricanes Ike and Gustav. In Brazil, our production volumes decreased primarily due to natural production declines.

2009 Drilling Results

Our drilling results for the quarter ended March 31, 2009 by region are as follows:

Central. We achieved a 100 percent success rate on 46 gross wells drilled.

Western. We achieved a 100 percent success rate on two gross wells drilled.

Texas Gulf Coast. We achieved a 100 percent success rate on 13 gross wells drilled.

Gulf of Mexico and south Louisiana. We achieved a 50 percent success rate on two gross wells drilled.

Brazil. Our drilling operations in Brazil are primarily in the Camamu and Espirito Santo Basins.

Camamu Basin. During the first quarter of 2009, we continued the process of obtaining regulatory and environmental approvals that are required to enter the next phase of development in the Pinauna Field. The timing of the Pinauna Field development will be dependent on the receipt of these approvals and either the recovery of commodity prices or cost reductions that reflect the current low commodity price environment.

In the BM-CAL-6 block, following the drilling of an unsuccessful exploratory well in 2008 and further evaluation, we have decided to relinquish our interest in this block. In the BM-CAL-5 block, we continue to evaluate the results and appraisal options on a well where hydrocarbons were discovered in 2008 and plan to participate in drilling a second exploratory well to evaluate another prospect in the block during the second quarter of 2009.

Espirito Santo Basin. We continue to execute the plan of development for the Camarupim Field which includes drilling four horizontal natural gas wells. As of March 31, 2009, one well has been drilled and tested and three additional wells have been spud and are nearing completion. Petrobras, the operator, estimates it will complete all drilling operations and begin production from the field in late June or early July 2009.

In 2008, we also participated with Petrobras in drilling an exploratory well in the ES-5 block in the Espirito Santo Basin in which we own a 35 percent working interest. Hydrocarbons were found in the well and we are now evaluating the results. During the second quarter of 2009, we plan to participate with Petrobras in drilling another exploratory well to evaluate an additional prospect in the ES-5 block.

During the first quarter of 2009, we added approximately 58 Bcfe of Brazilian reserves. As of March 31, 2009, we have total capitalized costs of approximately \$261 million in Brazil, of which \$167 million are unevaluated capitalized costs.

Egypt. In early April 2009, we completed drilling an exploratory well in the South Mariut block that was unsuccessful. We plan to drill two to three additional exploratory wells in this block during 2009. As of March 31, 2009, we have total capitalized costs of approximately \$26 million in Egypt, all of which are unevaluated capitalized costs.

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Cash Operating Costs. We monitor cash operating costs required to produce our natural gas and oil production volumes. These costs are calculated on a per Mcfe basis and include total operating expenses less depreciation, depletion and amortization expense, ceiling test or impairment charges, transportation costs and cost of products.

During the quarter ended March 31, 2009, overall cash operating costs decreased compared with the same period in 2008. However, cash operating costs per unit increased to \$2.00/Mcfe as compared to \$1.92/Mcfe during the same period in 2008 primarily due to lower production volumes in 2009 versus 2008.

Capital Expenditures. Our total natural gas and oil capital expenditures were \$321 million during the quarter ended March 31, 2009, of which \$246 million were domestic capital expenditures.

Outlook for 2009

For the full year 2009, we expect the following on a worldwide basis:

Capital expenditures, excluding acquisitions, of \$0.9 billion to \$1.2 billion. Of this total, we expect to spend \$0.7 billion to \$1.0 billion on our domestic program and approximately \$250 million in Brazil and Egypt.

Brazil capital expenditures include the costs to complete development of our Camarupim project in late June or early July 2009.

Average daily production volumes for the year of approximately 665 MMcfe/d to 730 MMcfe/d, which does not include approximately 65 MMcfe/d to 70 MMcfe/d from our equity investment in Four Star. Production volumes from our Brazil operations are expected to increase from an average of about 11 MMcfe/d in 2008 to between 30 MMcfe/d and 40 MMcfe/d in 2009, with production volumes from the Camarupim Field expected to commence in late June or early July 2009.

Average cash operating costs which include production costs, general and administrative expenses and other expenses of approximately \$2.05/Mcfe to \$2.35/Mcfe for the year.

Depreciation, depletion and amortization rate of between \$1.70/Mcfe and \$1.90/Mcfe, which includes the impact of our first quarter 2009 ceiling test charges.

Price Risk Management Activities

We enter into derivative contracts on our natural gas and oil production to stabilize cash flows, reduce the risk and financial impact of downward commodity price movements on commodity sales and to protect the economic assumptions associated with our capital investment programs. Because this strategy only partially reduces our exposure to downward movements in commodity prices, our reported results of operations, financial position and cash flows can be impacted significantly by movements in commodity prices from period to period. Adjustments to our strategy and the decision to enter into new positions or to alter existing positions are made based on the goals of the overall company.

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During the first quarter of 2009, we settled all of our existing 2009 fixed price oil swaps for approximately \$186 million in cash and entered into new fixed price oil swaps on 1,500 MBbls of our remaining anticipated 2009 oil production at an average price of \$45.00 per barrel. We also entered into additional natural gas option and basis swap contracts on our 2009 and 2010 production. During the first quarter of 2009, we paid \$63 million in premiums to enter into financial derivative contracts related to our 2010 natural gas production. The following table reflects the contracted volumes and the minimum, maximum and average prices we will receive under our derivative contracts as of March 31, 2009.

	Fixed Price Swaps ⁽¹⁾		Floors ⁽¹⁾		Ceilings ⁽¹⁾		Basis Swaps ⁽¹⁾⁽²⁾							
							Western		Central					
							Texas Gulf Coast	Raton	Rockies	Mid-Continent				
	Average	Price	Average	Price	Average	Price	Average	Average	Average	Average	Price			
	Volumes		Volumes		Volumes		Volumes		Volumes		Price			
<i>Natural Gas</i>														
2009	6	\$ 7.40	114	\$ 9.11	89	\$ 14.83	43	\$ (0.34)	18	\$ (0.96)	10	\$ (2.01)	7	\$ (1.04)
2010	25	\$ 6.61	42	\$ 7.00	20	\$ 9.45	47	\$ (0.40)	11	\$ (0.80)	9	\$ (1.93)	9	\$ (0.74)
2011-2012	7	\$ 3.88												
<i>Oil</i>														
2009	1,348	\$ 45.00												

(1) Volumes presented are TBtu for natural gas and MBbl for oil. Prices presented are per MMBtu of natural gas and per Bbl of oil.

(2) Our basis swaps effectively limit our exposure to differences between the NYMEX gas price and the price at the location where we sell our gas. The average prices listed above are the amounts we will

pay per MMBtu relative to the NYMEX price to lock-in these locational price differences.

Since March 31, 2009 and through May 7, 2009, we paid approximately \$110 million in premiums to enter into additional financial derivative contracts related to our 2010 and 2011 production as follows:

	Fixed Price Swaps⁽¹⁾		Floors⁽¹⁾		Ceilings⁽¹⁾		Basis Swaps⁽¹⁾⁽²⁾	
	Volumes	Average Price	Volumes	Average Price	Volumes	Average Price	Volumes	Average Price
<i>Natural Gas</i>								
2010	27	\$ 5.80	81	\$ 6.25	41	\$ 7.50	9	\$ 0.75
2011	11	\$ 6.88	110	\$ 6.00	110	\$ 9.00		\$

(1) Volumes presented are TBtu for natural gas. Prices presented are per MMBtu of natural gas.

(2) Our basis swaps effectively limit our exposure to differences between the NYMEX gas price and the price at the location where we sell our gas. The average prices listed above are the amounts we will pay per MMBtu relative to the NYMEX price to lock-in these locational price differences.

Internationally, our gas sales agreement for our production from the Camarupim field in Brazil provides for a price that is adjusted quarterly based on a basket of fuel oil prices. In May 2009, we entered into fuel oil swaps which will effectively lock in a price of about \$4.00 per Mcf on about 6 Bcf of projected natural gas production in 2010.

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The information below provides the financial results and an analysis of significant variances in these results during the quarter ended March 31:

	Quarter Ended March 31, 2009 2008 (In millions)	
Physical sales:		
Natural gas	\$ 252	\$ 476
Oil, condensate and NGL	46	166
Total physical sales	298	642
Realized and unrealized gains (losses) on financial derivatives ⁽¹⁾	394	(50)
Other revenues	8	11
Total operating revenues	700	603
Operating expenses:		
Cost of products	5	5
Transportation costs	20	19
Production costs	78	91
Depreciation, depletion and amortization	150	212
General and administrative expenses	50	47
Ceiling test charges	2,068	
Other	4	3
Total operating expenses	2,375	377
Operating income (loss)	(1,675)	226
Other income (expense) ⁽²⁾	(10)	16
EBIT	\$ (1,685)	\$ 242

(1) Includes \$128 million and \$(15) million in 2009 and 2008, of amounts reclassified from accumulated other comprehensive income associated with accounting hedges.

(2)

Other income
(expense) includes
equity earnings
(losses) from our
investment in Four
Star.

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The table below provides additional detail of our consolidated volumes, prices, and costs per unit as well as volumetric data related to our investment in Four Star. In the table below, we present (i) average realized prices based on physical sales of natural gas and oil, condensate and NGL as well as (ii) average realized prices inclusive of the impacts of financial derivative settlements. Our average realized prices, including financial derivative settlements, reflect cash received and/or paid during the period on settled financial derivatives based on the period the contracted settlements were originally scheduled to occur; however, these prices do not reflect the impact of any associated premiums paid to enter into certain of our derivative contracts.

	Quarter Ended March 31,		
	2009	2008	Percent Variance
<i>Consolidated volumes, prices and costs per unit:</i>			
Natural gas			
Volumes (MMcf)	56,862	61,810	(8)%
Average realized price on physical sales (\$/Mcf)	\$ 4.43	\$ 7.72	(43)%
Average realized price, including financial derivative settlements (\$/Mcf) ⁽¹⁾	\$ 8.52	\$ 7.60	12%
Average transportation costs (\$/Mcf)	\$ 0.34	\$ 0.28	21%
Oil, condensate and NGL			
Volumes (MBbls)	1,477	1,992	(26)%
Average realized price on physical sales (\$/Bbl)	\$ 31.29	\$ 83.06	(62)%
Average realized price, including financial derivative settlements (\$/Bbl) ^{(1) (2)}	\$ 70.14	\$ 80.14	(12)%
Average transportation costs (\$/Bbl)	\$ 0.93	\$ 0.71	31%
Total equivalent volumes			
MMcfe	65,700	73,762	(11)%
MMcfe/d	731	811	(10)%
Production costs and other cash operating costs (\$/Mcfe)			
Average lease operating expenses	\$ 0.89	\$ 0.82	9%
Average production taxes ⁽³⁾	0.29	0.42	(31)%
Total production costs	\$ 1.18	\$ 1.24	(5)%
Average general and administrative expenses	0.76	0.64	19%
Average taxes, other than production and income taxes	0.06	0.04	50%
Total cash operating costs	\$ 2.00	\$ 1.92	4%
Depreciation, depletion and amortization (\$/Mcfe)	\$ 2.28	\$ 2.87	(21)%
<i>Unconsolidated affiliate volumes (Four Star):</i>			
Natural gas (MMcf)	4,860	5,121	
Oil, condensate and NGL (MBbls)	276	285	
Total equivalent volumes			
MMcfe	6,516	6,832	
MMcfe/d	72	75	

(1) Premiums
related to

natural gas derivatives settled during the quarter ended March 31, 2008 were \$5 million. Had we included these premiums in our natural gas average realized price in 2008, our realized price, including financial derivative settlements, would have decreased by \$0.08/Mcf. We had no premiums related to natural gas derivatives settled during the quarter ended March 31, 2009 or related to oil derivatives settled during the quarters ended March 31, 2009 and 2008.

- (2) Does not include approximately \$149 million received in the first quarter of 2009 related to the early settlement of oil derivative contracts originally scheduled to

settle April through December of 2009. These amounts will be included in our average realized price over the remainder of the year based on when the contracted settlements were originally scheduled to occur.

- (3) Production taxes include ad valorem and severance taxes.

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Our EBIT for the quarter ended March 31, 2009 decreased \$1.9 billion as compared to the same period in 2008. The table below shows the significant variances in our financial results for the quarter ended March 31, 2009 as compared to the same period in 2008:

	Operating Revenue	Variance		EBIT
		Operating Expense Favorable/(Unfavorable)	Other	
<i>(In millions)</i>				
<i>Physical sales</i>				
<i>Natural gas</i>				
Lower realized prices in 2009	\$ (187)	\$	\$	\$ (187)
Lower volumes in 2009	(37)			(37)
<i>Oil, condensate and NGL</i>				
Lower realized prices in 2009	(77)			(77)
Lower volumes in 2009	(43)			(43)
<i>Realized and unrealized gains/(losses) on financial derivatives</i>				
	444			444
<i>Other Revenues</i>				
Other	(3)			(3)
<i>Depreciation, Depletion and Amortization Expense</i>				
Lower depletion rate in 2009		40		40
Lower production volumes in 2009		22		22
<i>Production Costs</i>				
Lower lease operating expenses in 2009		2		2
Lower production taxes in 2009		11		11
<i>Ceiling Test Charges</i>		(2,068)		(2,068)
<i>Other</i>				
Earnings from investment in Four Star			(20)	(20)
Other		(5)	(6)	(11)
<i>Total Variances</i>	\$ 97	\$ (1,998)	\$ (26)	\$ (1,927)

Physical sales. Physical sales represent accrual-based commodity sales transactions with customers. During the first quarter of 2009, natural gas, oil, condensate and NGL revenues decreased as compared to the same period in 2008 due to lower commodity prices and lower production volumes.

Realized and unrealized gains/(losses) on financial derivatives. During the first quarter of 2009, we recognized gains of \$394 million compared to losses of \$50 million during the same period in 2008 due to lower natural gas and oil prices in 2009 relative to commodity prices contained in our derivative contracts.

Depreciation, depletion and amortization expense. During the first quarter of 2009, our depreciation, depletion and amortization expense decreased as a result of a lower depletion rate and lower production volumes. The lower depletion rate is primarily a result of the impact of the ceiling test charges recorded in December of 2008.

Production costs. Our production costs decreased during the first quarter of 2009 as compared to the same period in 2008 primarily due to lower production taxes as a result of lower natural gas and oil revenues.

Ceiling test charges. We are required to conduct impairment tests of our capitalized costs in each of our full cost pools. As of March 31, 2009, natural gas prices had declined to \$3.63 per MMBtu, while oil prices were at \$49.66 per barrel. The decrease in natural gas prices resulted in downward price-related reserve revisions of approximately 400 Bcfe (primarily in our Arklatex, Raton and Mid-Continent areas), and non-cash ceiling test charges of approximately

\$2.1 billion (\$2.0 billion in our domestic full cost pool and \$28 million in our Brazilian full cost pool). We also recorded a \$9 million charge in Egypt related to a dry hole drilled in the South Mariut block.

Other. Our equity earnings from Four Star decreased by \$20 million during the first quarter of 2009 as compared to the same period in 2008 primarily due to lower commodity prices.

Table of Contents**Marketing Segment**

Overview. Our Marketing segment's primary focus is to market our Exploration and Production segment's natural gas and oil production, manage El Paso's overall price risk, and manage our remaining legacy contracts that were entered into prior to the deterioration of the energy trading environment in 2002. To the extent it is economical and prudent, we will continue to seek opportunities to reduce the impact of remaining legacy contracts on our future operating results through contract liquidations.

The primary remaining exposure to our operating results relates to changes in the fair value of our legacy PJM power contracts primarily related to changes in power prices at locations within the PJM region. In addition to the PJM power contracts, our legacy contracts include natural gas derivative contracts which are marked-to-market in our operating results as well as transportation-related natural gas and long-term natural gas supply contracts which are accrual-based contracts that impact our revenues as delivery or service under the contracts occurs. All of our remaining contracts are subject to counterparty credit and non-performance risk while each of our mark-to-market contracts is also subject to interest rate exposure. For a further discussion of our remaining contracts, see below and our 2008 Annual Report on Form 10-K.

Operating Results. During the quarter ended March 31, 2009, we generated EBIT of \$52 million primarily driven by mark-to-market gains of approximately \$52 million related to the application of the provisions of EITF Issue No. 08-5 on our derivative liabilities that have non-cash collateral associated with them, such as letters of credit. For a further description of our adoption of this standard, see Item 1, Financial Statements, Note 1. Below is further information about our overall operating results during each of the quarters ended March 31:

	2009	2008
	(In millions)	
<i>Revenue by Significant Contract Type:</i>		
<i>Production-Related Natural Gas and Oil Derivative Contracts:</i>		
Changes in fair value of options and swaps	\$	\$ (21)
<i>Contracts Related to Legacy Trading Operations:</i>		
Changes in fair value of power contracts	34	(41)
Natural gas transportation-related contracts:		
Demand charges	(9)	(9)
Settlements, net of termination payments	7	14
Changes in fair value of other natural gas derivative contracts	21	
Total revenues	53	(57)
Operating expenses	(1)	(3)
Operating income (loss) and EBIT	\$ 52	\$ (60)

Production-related Natural Gas and Oil Derivative Contracts. Prior to January 1, 2009, we held production-related natural gas and oil derivative contracts. During the quarter ended March 31, 2008, increases in commodity prices reduced the fair value of these contracts resulting in losses.

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Contracts Related to Legacy Trading Operations

Power contracts. Our primary remaining exposure in our power portfolio consists of changes in locational power price differences in the PJM region, changes in counterparty credit risk, and changes in interest rates. Prior to agreements entered into through 2008, we were also exposed to changes in installed capacity prices and commodity prices. Power prices in the PJM region are highly volatile due to changes in fuel prices and transmission congestion at certain locations in the region, and future changes in locational prices could continue to significantly impact the fair value of our power contracts.

In the first quarter of 2009, we recognized a mark-to-market gain of \$34 million on these contracts which included a \$33 million gain related to the application of EITF Issue No. 08-5 on certain of our derivative liabilities, as further described in Item 1, Financial Statements, Note 1. In the first quarter of 2008, we recognized a mark-to-market loss of \$41 million resulting from changes in locational PJM power prices and interest rates, and from executing a capacity purchase agreement with a counterparty to economically hedge our remaining capacity exposure.

Natural gas transportation-related contracts. As of March 31, 2009, our transportation contracts provide us with approximately 0.6 Bcf/d of pipeline capacity. For the remainder of 2009, we anticipate demand charges related to this capacity of approximately \$32 million which we expect to decline to an average of \$22 million annually from 2010 through 2013. The profitability of these contracts is dependent upon the recovery of demand charges as well as our ability to use or remarket the contracted pipeline capacity, which is impacted by a number of factors including differences in natural gas prices at contractual receipt and delivery locations, the working capital needed to use this capacity, and the capacity required to meet our long-term obligations. Our transportation contracts are accounted for on an accrual basis and impact our revenues as delivery or service under the contracts occurs.

Other natural gas derivative contracts. In addition to our natural gas transportation contracts, we have other contracts with third parties that require us to purchase or deliver natural gas primarily at market prices. While we have substantially offset all of the fixed price exposure in these contracts, they are still subject to changes in fair value due to changes in the interest rates and counterparty credit risk used to value these contracts. The mark-to-market gain of \$21 million recognized during the first quarter of 2009 includes a \$19 million gain related to the application of EITF Issue No. 08-5 on certain of our derivative liabilities, as further described in Item 1, Financial Statements, Note 1.

Table of Contents**Power Segment**

Overview. As of March 31, 2009, our remaining investment, guarantees and letters of credit related to projects in this segment totaled approximately \$296 million which consisted of approximately \$280 million in equity investments and notes and accounts receivable and approximately \$16 million in financial guarantees and letters of credit, as follows (in millions):

Area*South America*

Porto Velho note receivable from buyer	\$ 78
Manaus & Rio Negro	42
Bolivia-to-Brazil Pipeline	135
Argentina-to-Chile Pipeline	29
<i>Asia</i>	12
Total	\$ 296

During the first quarter of 2008, we transferred the ownership of our Manaus and Rio Negro power plants in Brazil to the plants power purchaser. While we no longer own the Manaus and Rio Negro power plants, we still have exposure relating to outstanding receivables due from the power purchaser. In February 2009, we also completed the sale of our investment in Porto Velho for total consideration of \$179 million. The sale of our investment in the Argentina-to-Chile pipeline is expected to be completed in mid-2009. Until the sale of our remaining international investments is completed, related receivables are collected or matters further discussed in Item 1, Financial Statements, Note 13 are resolved, any changes in regional political and economic conditions could negatively impact the anticipated proceeds we may receive, which could result in impairments of our remaining assets and investments.

Operating Results. For the quarter ended March 31, 2009, our Power segment generated EBIT of \$4 million compared to an EBIT loss of \$2 million in the first quarter of 2008. Our 2009 EBIT primarily relates to equity earnings from our Bolivia-to-Brazil and Argentina-to-Chile pipeline investments. For a discussion of developments and other matters that could impact our remaining assets and investments, see Item 1, Financial Statements, Note 13.

Corporate and Other Expenses, Net

Our corporate activities include our general and administrative functions as well as a number of miscellaneous businesses, which do not qualify as operating segments and are not material to our current year results. The following is a summary of significant items impacting the EBIT in our corporate activities for the quarters ended March 31:

	2009	2008
	(In millions)	
Change in litigation, insurance and other reserves	\$ (3)	\$ 11
Foreign currency fluctuations on Euro-denominated debt		(6)
Gain on disposition of a portion of our telecommunications business		18
Other	(4)	16
Total EBIT	\$ (7)	\$ 39

Litigation, Insurance, and Other Reserves. We have a number of pending litigation matters and reserves related to our historical business operations that also affect our corporate results. Adverse rulings or unfavorable outcomes or settlements against us related to these matters have impacted and may continue to impact our future results.

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In March 2008, we received a summary judgment from a trial court on our Case Corporation indemnification dispute. As a result of the judgment, we adjusted our existing indemnification accrual using current actuarial assumptions and reclassified amounts accrued as a postretirement benefit obligation. This resulted in a \$65 million reduction in operation and maintenance expense. See Item I, Financial Statements, Notes 9 and 10 for a further discussion of this matter.

During the first quarter of 2008, we recorded additional mark-to-market losses of approximately \$43 million on an indemnification associated with the sale of a legacy ammonia facility. These losses were based on significant increases in ammonia prices during the first quarter of 2008 compared to relatively flat prices in the first quarter of 2009. Changes in ammonia prices may continue to impact this contract, which could result in additional future losses.

Interest and Debt Expense

Our interest and debt expense was \$255 million and \$233 million for the quarters ended March 31, 2009 and 2008. This increase was primarily due to higher average debt balances in 2009 when compared to 2008.

Income Taxes

	Quarter Ended March 31,	
	2009	2008
	(In millions, except for rates)	
Income taxes	\$ (526)	\$ 148
Effective tax rate	35%	39%

For a discussion of our effective tax rates and other matters impacting our income taxes, see Item 1, Financial Statements, Note 4.

Commitments and Contingencies

For a further discussion of our commitments and contingencies, see Item I, Financial Statements, Note 9, which is incorporated herein by reference.

Table of Contents**Liquidity and Capital Resources**

Over the past several years, our focus has been on expanding our core pipeline and exploration and production businesses to provide for long-term growth and value. During this period, we also strengthened our balance sheet primarily through managing our overall debt obligations. Our primary sources of cash are cash flow from operations and amounts available to us under our revolving credit facilities. As conditions warrant, we may also generate funds through capital market activities and asset sales. Our primary uses of cash are funding the capital expenditure programs of our pipeline and exploration and production operations, meeting operating needs and repaying debt when due or repurchasing debt when conditions warrant. In the first quarter of 2009, we continued to generate significant positive operating cash flows from both our core pipeline and production operations which we expect to continue for the remainder of 2009.

In response to the significant volatility and instability in the global financial markets that began in 2008, we have taken several actions to address our liquidity needs including a reduction in our capital program for 2009, selling certain non-core assets (as further discussed below), issuing debt to fund our 2009 debt maturities and fund our 2009 capital program, and advancing our plans to partner on certain expansion projects. Discussed below are (i) our available liquidity and liquidity outlook for the remainder of 2009 as well as (ii) an overview of cash flow activities for the first quarter of 2009.

Available Liquidity and Liquidity Outlook for 2009. At March 31, 2009, we had approximately \$3.3 billion of available liquidity, consisting of \$1.8 billion of cash and approximately \$1.5 billion of capacity available to us under our various credit facilities, exclusive of \$160 million available to EPB under its revolving credit facility. Traditionally, we have pursued additional bank financings, project financings or debt capital markets transactions to supplement our available cash and credit facilities which we have used to fund the capital expenditure programs of our core businesses, meet operating needs and repay debt maturities.

Our cash capital expenditures for the quarter ended March 31, 2009, and the amount of cash we expect to spend for the remainder of 2009 to grow and maintain our businesses are as follows:

	Quarter Ended March 31, 2009	2009 Remaining (In billions)	Total
<i>Pipelines</i>			
Maintenance	\$ 0.1	\$ 0.3	\$ 0.4
Growth	0.3	1.0	1.3
<i>Exploration and Production</i> ⁽¹⁾	0.4	0.8	1.2
<i>Other</i>		0.1	0.1
	\$ 0.8	\$ 2.2	\$ 3.0

(1) For 2009, our planned cash capital expenditures, excluding acquisitions, are expected to range from \$0.9 billion to

\$1.2 billion.

As part of our efforts to meet our projected liquidity needs, which include our 2009 capital program and debt maturities in May 2009, we have successfully generated additional liquidity of approximately \$1.9 billion since November 2008. Of this amount, we generated \$1.2 billion in proceeds through public debt offerings (approximately \$1 billion of El Paso notes and \$250 million of TGP notes), obtained a 364-day \$300 million secured revolving credit facility collateralized by certain proved oil and gas reserves of a production subsidiary, entered into an additional \$150 million letter of credit facility and issued \$135 million of debt through our subsidiary that owns our Elba Island LNG facility. We also completed the sale of \$0.2 billion of non-core assets (primarily in our Exploration and Production and Power segments) and are evaluating the sale of an additional \$0.2 billion.

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We believe our actions taken over the last several months provide sufficient liquidity to meet our operating needs, repay our \$0.9 billion of remaining 2009 debt maturities and fund our 2009 capital program, regardless of whether we are successful in obtaining equity partners on any of our capital projects. When prudent, however, we will continue to be opportunistic in building liquidity to meet our long-term capital needs. There are no assurances, however, that we will be able to access the financial markets to fund our long-term capital needs. To the extent the financial markets are restricted, there is a further decline in commodity prices from current levels, or any of our announced actions are not sufficient, it is possible that additional adjustments to our plan and outlook will be required which could impact our financial and operating performance. These alternatives or adjustments to our plan could include additional reductions in our discretionary capital program, further reductions in operating and general and administrative expenses, secured financing arrangements, seeking partners for one or more of our other growth projects and the sale of additional non-core assets which could impact our financial and operating performance.

Additional Factors That Could Impact Our Future Liquidity. Listed below are two additional factors that could impact our liquidity.

Price Risk Management Activities and Margining Requirements. We currently post letters of credit for the required margin on certain derivative contracts in our Marketing segment. Depending on changes in commodity prices or interest rates, we could be required to post additional margin or may recover margin earlier than anticipated. A 10 percent change in natural gas and power prices would not have had a significant impact on the margin requirements of our derivative contracts as of March 31, 2009. Additionally, we are exposed to (and have adjusted the fair value of these contracts for) the risk that the counterparties to our derivative contracts may not be able to perform or post the necessary collateral with us. We have assessed this counterparty credit and non-performance risk given the recent instability in the credit markets and determined that our exposure is primarily limited to five financial institutions, each of which has a current Standard & Poor's credit rating of A or better.

Hurricanes Ike and Gustav. During 2008, our pipeline and exploration and production facilities were damaged by Hurricanes Ike and Gustav. We assessed the damages resulting from these hurricanes and the corresponding impact on estimated costs to repair and abandon impacted facilities. Although our estimates may change in the future, our current planned pipeline capital expenditures include hurricane-related expenditures of approximately \$146 million, a majority of which we expect will be spent in 2009 and 2010. None of these amounts are recoverable from insurance due to the losses not exceeding our self-retention levels for these events.

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Overview of Cash Flow Activities. During the first quarter of 2009, we generated positive operating cash flow of approximately \$0.8 billion primarily as a result of cash provided by our pipeline and exploration and production operations. In addition, we generated \$0.2 billion in proceeds from the sale of our interest in the Porto Velho power generation facility in Brazil and the sale of two non-core natural gas producing properties. We also generated \$0.8 billion in proceeds in conjunction with the issuance of \$0.7 billion of unsecured notes and completion of our Elba LNG facility financing of \$135 million. We utilized a portion of these amounts to fund maintenance and growth projects in our pipeline and exploration and production operations, pay down debt, and pay dividends, among other items. For the quarter ended March 31, 2009, our cash flows from continuing operations are summarized as follows:

	2009
	(In billions)
Cash Flow from Operations	
<i>Continuing operating activities</i>	
Net loss	\$ (1.0)
Ceiling test charges	2.1
Other income adjustments	(0.3)
Total cash flow from operations	\$ 0.8
Other Cash Inflows	
<i>Continuing investing activities</i>	
Net proceeds from the sale of assets and investments	\$ 0.2
Other	0.1
	0.3
<i>Continuing financing activities</i>	
Net proceeds from the issuance of long-term debt	0.8
Total other cash inflows	\$ 1.1
Cash Outflows	
<i>Continuing investing activities</i>	
Capital expenditures	\$ 0.8
<i>Continuing financing activities</i>	
Payments to retire long-term debt and other financing obligations	0.2
Dividends and other	0.1
	0.3
Total cash outflows	\$ 1.1
Net change in cash	\$ 0.8

Table of Contents**Contractual Obligations**

The following information provides updates to our contractual obligations, and should be read in conjunction with the information disclosed in our 2008 Annual Report on Form 10-K.

Commodity-Based Derivative Contracts

We use derivative financial instruments in our Exploration and Production and Marketing segments to manage the price risk of commodities. Our commodity-based derivative contracts are not currently designated as accounting hedges and include options, swaps and other natural gas and power purchase and supply contracts that are not traded on active exchanges. The following table details the fair value of our commodity-based derivative contracts by year of maturity as of March 31, 2009:

	Maturity Less Than 1 Year	Maturity 1 to 3 Years	Maturity 4 to 5 Years (In millions)	Maturity 6 to 10 Years	Total Fair Value
Assets	\$ 601	\$ 153	\$ 18	\$ 14	\$ 786
Liabilities	(189)	(368)	(160)	(105)	(822)
Total commodity-based derivatives	\$ 412	\$ (215)	\$ (142)	\$ (91)	\$ (36)

The following is a reconciliation of our commodity-based derivatives for the quarter ended March 31, 2009:

	Commodity- Based Derivatives (In millions)
Fair value of contracts outstanding at January 1, 2009	\$ (25)
Fair value of contract settlements during the period ⁽¹⁾	(395)
Changes in fair value of contracts during the period	321
Premiums paid during the period	63
Net changes in contracts outstanding during the period	(11)
Fair value of contracts outstanding at March 31, 2009	\$ (36)

- (1) Includes amounts received related to the early settlement of production-related oil derivative contracts prior to their scheduled maturity.

Table of Contents**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

This information updates, and you should read it in conjunction with the information disclosed in our 2008 Annual Report on Form 10-K, in addition to the information presented in Items 1 and 2 of this Quarterly Report on Form 10-Q.

There are no material changes in our quantitative and qualitative disclosures about market risks from those reported in our 2008 Annual Report on Form 10-K, except as presented below:

Commodity Price Risk

Production-Related Derivatives. We attempt to mitigate commodity price risk and stabilize cash flows associated with our forecasted sales of natural gas and oil production through the use of derivative natural gas and oil swaps, basis swaps and option contracts. These contracts impact our earnings as the fair value of these derivatives changes. Our production-related derivatives do not mitigate all of the commodity price risks of our forecasted sales of natural gas and oil production and, as a result, we are subject to commodity price risks on the remaining forecasted natural gas and oil production.

Other Commodity-Based Derivatives. In our Marketing segment, we have long-term natural gas and power derivative contracts which include forwards, swaps, options and futures that we either intend to manage until their expiration or seek opportunities to liquidate to the extent it is economical and prudent. We utilize a sensitivity analysis to manage the commodity price risk associated with our other commodity-based derivative contracts.

Sensitivity Analysis. The table below presents the hypothetical sensitivity of our production-related derivatives and our other commodity-based derivatives to changes in fair values arising from immediate selected potential changes in the market prices (primarily natural gas, oil and power prices and basis differentials) used to value these contracts. This table reflects the sensitivities of the derivative contracts only and does not include any underlying hedged commodities.

		Change in Market Price			
	Fair Value	10 Percent Fair Value	10 Percent Increase Change	10 Percent Decrease Fair Value	Change
			(In millions)		
<i>Production-related derivatives net assets</i>					
March 31, 2009	\$ 573	\$ 497	\$ (76)	\$ 652	\$ 79
December 31, 2008	\$ 682	\$ 582	\$ (100)	\$ 785	\$ 103
<i>Other commodity-based derivatives net liabilities</i>					
March 31, 2009	\$ (609)	\$ (620)	\$ (11)	\$ (598)	\$ 11
December 31, 2008	\$ (707)	\$ (719)	\$ (12)	\$ (695)	\$ 12

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Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2009, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer (CEO) and our Chief Financial Officer (CFO), as to the effectiveness, design and operation of our disclosure controls and procedures. This evaluation considered the various processes carried out under the direction of our disclosure committee in an effort to ensure that information required to be disclosed in the U.S. Securities and Exchange Commission reports we file or submit under the Exchange Act is accurate, complete and timely. Our management, including our CEO and our CFO, does not expect that our disclosure controls and procedures or our internal controls will prevent and/or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and our CEO and CFO have concluded that our disclosure controls and procedures are effective at a reasonable level of assurance at March 31, 2009.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting during the first quarter of 2009.

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PART II OTHER INFORMATION

Item 1. Legal Proceedings

See Part I, Item 1, Financial Statements, Note 9, which is incorporated herein by reference. Additional information about our legal proceedings can be found in Part I, Item 3 of our 2008 Annual Report on Form 10-K filed with the SEC.

Latigo Natural Gas Storage. In April 2009, the Colorado Department of Public Health and Environment (CDPHE) issued a Compliance Advisory alleging various violations related to the operation of an evaporation pond at the Latigo underground natural gas storage field including failure to account for, and adequately permit, methanol emissions. CIG will be meeting with the CDPHE to discuss the Compliance Advisory and address their concerns.

Item 1A. Risk Factors

CAUTIONARY STATEMENTS FOR PURPOSES OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

We have made statements in this document that constitute forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning possible or assumed future results of operations. The words believe, expect, estimate, anticipate and similar expressions will generally identify forward-looking statements. These statements may relate to information or assumptions about:

earnings per share;

capital and other expenditures;

dividends;

financing plans;

capital structure;

liquidity and cash flow;

pending legal proceedings, claims and governmental proceedings, including environmental matters;

future economic and operating performance;

operating income;

management's plans; and

goals and objectives for future operations.

Forward-looking statements are subject to risks and uncertainties. While we believe the assumptions or bases underlying the forward-looking statements are reasonable and are made in good faith, we caution that assumed facts or bases almost always vary from actual results, and these variances can be material, depending upon the circumstances. We cannot assure you that the statements of expectation or belief contained in our forward-looking statements will result or be achieved or accomplished. Important factors that could cause actual results to differ materially from estimates or projections contained in our forward-looking statements are described in our 2008 Annual Report on Form 10-K under Part I, Item 1A, Risk Factors. There have been no material changes in our risk factors since that report.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

The Exhibit Index is incorporated herein by reference.

The agreements included as exhibits to this report are intended to provide information regarding their terms and not to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements may contain representations and warranties by the parties to the agreements, including us, solely for the benefit of the other parties to the applicable agreement and:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

may have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to certain investors; and

were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, El Paso Corporation has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EL PASO CORPORATION

Date: May 11, 2009

/s/ D. Mark Leland

D. Mark Leland
Executive Vice President and Chief Financial
Officer
(Principal Financial Officer)

Date: May 11, 2009

/s/ John R. Sult

John R. Sult
Senior Vice President and Controller
(Principal Accounting Officer)

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**EL PASO CORPORATION
EXHIBIT INDEX**

Each exhibit identified below is filed as part of this Report. Exhibits filed with this Report are designated by *. All exhibits not so designated are incorporated herein by reference to a prior filing as indicated.

Exhibit Number	Description
4	Fifteenth Supplemental Indenture, dated as of February 9, 2009 between El Paso Corporation and HSBC Bank USA, National Association, as trustee, to Indenture dated as of May 10, 1999 (Exhibit 4.I to our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the SEC on March 2, 2009).
*12	Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.
*31.A	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.B	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.A	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.B	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.