PERKINELMER INC
Form DEF 14A
March 22, 2004

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)
INFORMATION REQUIRED IN A PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

PerkinElmer, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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þ No fee required.
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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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March 22, 2004

Dear Stockholder:

We cordially invite you to attend the 2004 annual meeting of stockholders of PerkinElmer, Inc. to be held on Tuesday, April 27, 2004, at 10:30 a.m. at the company s offices at 45 William Street, Wellesley, Massachusetts.

The enclosed notice of annual meeting and proxy statement contain complete information about matters to be considered at the annual meeting, and a map with directions to the meeting is on the back cover of the proxy statement. Only stockholders and their proxies are invited to attend the annual meeting.

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the meeting, I hope you will review carefully the attached proxy materials and vote as soon as possible. We urge you to complete, sign and return the enclosed proxy card or to vote over the Internet or by telephone, so that your shares will be represented and voted at the annual meeting.

Thank you for your continued support of PerkinElmer.

Sincerely,

Gregory L. Summe
Chairman, Chief Executive Officer and President

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Notice of Annual Meeting

and

Proxy Statement 2004

PerkinElmer, Inc.

Corporate Offices
45 William Street
Wellesley, Massachusetts 02481

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NOTICE OF ANNUAL MEETING

To the Stockholders of PerkinElmer, Inc.:

The annual meeting of the stockholders of PerkinElmer, Inc. will be held at the company s corporate offices, located at 45 William Street, Wellesley, Massachusetts, on Tuesday, April 27, 2004, at 10:30 a.m., to consider and act upon the following:

1. A proposal to elect nine nominees for director for terms of one year each;

2. A proposal to ratify the selection of Deloitte & Touche LLP as PerkinElmer s independent auditors for the current fiscal year;

3. A stockholder proposal described in the accompanying proxy statement, if presented at the meeting by its proponents; and

4. Such other matters as may properly come before the meeting or any adjournment thereof.

Our board of directors has no knowledge of any other business to be transacted at the meeting.

The board of directors has fixed the close of business on February 27, 2004 as the record date for the determination of stockholders entitled to receive this notice and to vote at the meeting.

All stockholders are cordially invited to attend the meeting.

By Order of the Board of Directors,

TERRANCE L. CARLSON, *Clerk*

March 22, 2004

Admission to the meeting will require an admission ticket and picture identification. If you are a stockholder of record, an admission ticket is attached to the proxy card sent with this notice of annual meeting. If you hold stock in street name through a nominee, a bank or brokerage account, you are required to bring proof of your beneficial ownership of our common stock on the record date, as well as picture identification, to the meeting. If you arrive without the appropriate proof of ownership, you will not be admitted to the meeting unless we can verify that you were a PerkinElmer stockholder as of the record date for the meeting. Cameras, cell phones, recording equipment and other electronic devices will not be permitted at the meeting.

RETURN ENCLOSED PROXY CARD

Whether or not you expect to attend this meeting, please complete, date, and sign the enclosed proxy card and mail it promptly in the enclosed envelope. No postage is required if mailed in the United States. Prompt response is important and your cooperation will be appreciated. If the envelope is lost, return the card to Mellon Investor Services, Proxy Processing, P.O. Box 3805, South Hackensack, NJ 07606-9505.

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PROXY STATEMENT

General

PerkinElmer, Inc. has prepared this proxy statement to provide our stockholders with information pertaining to the matters to be voted on at our annual meeting of stockholders to be held on Tuesday, April 27, 2004 at 10:30 a.m., at the company s corporate offices, located at 45 William Street, Wellesley, Massachusetts, and at any adjournment of that meeting. The date of this proxy statement is March 22, 2004, the approximate date on which we first sent or gave the proxy statement and form of proxy to our stockholders.

This proxy is solicited on behalf of our board of directors. Our board of directors requests that you sign and return your proxy card promptly. You have the right to revoke your proxy and change your vote at any time prior to its exercise at the meeting by filing written notice with the Clerk of PerkinElmer, by signing and delivering a new proxy card bearing a later date, or by casting your vote in person at the meeting. **It is important to sign and return your proxy card.** It helps to establish a quorum so that the meeting may be held and permits your votes to be cast in accordance with your directions.

We will bear the expenses connected with this proxy solicitation. We expect to pay brokers, nominees, fiduciaries, and other custodians their reasonable expenses for forwarding proxy materials and annual reports to principals and obtaining their voting instructions. We have engaged Georgeson Shareholder Communications, Inc. of New York, New York to assist us in soliciting proxies from brokers, nominees, fiduciaries, and custodians and will pay Georgeson $7,500 and out-of-pocket expenses for its efforts. In addition to the use of the mails, our directors, officers, and employees may, without additional remuneration, solicit proxies in person or by use of other communications media.

Our stock transfer books will not be closed. However, our board of directors has fixed the close of business on February 27, 2004 as the record date for determining the stockholders entitled to receive notice of, and to vote their shares, at the meeting. On the record date, there were 127,551,038 shares of our common stock outstanding and entitled to vote. Each share of common stock carries the right to cast one vote on each of the proposals presented for stockholder action, with no cumulative voting.

We previously mailed to stockholders or are enclosing with this proxy statement our annual report to stockholders for 2003. The annual report is not part of, or incorporated by reference in, this proxy statement.

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement or annual report may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if you request one by writing or calling as follows: PerkinElmer, Inc., 45 William Street, Wellesley, Massachusetts 02481, Telephone: (781) 237-5100, Attention: Investor Relations. If you want to receive separate copies of our annual report and proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.

Proposals

The proposals being presented for stockholder action are set forth on your proxy card and are discussed in detail on the following pages. Shares that you have the power to vote that are represented by proxy will be voted at the meeting in accordance with your instructions indicated on the enclosed proxy card.

The first proposal is to elect nine directors for terms of one year each. You may grant or withhold authority to vote your shares to elect all nine nominees by marking the appropriate box on the proxy card. Should you desire to withhold authority to vote for one or more nominees, please identify the exceptions in the appropriate space provided on the proxy card. Your shares will be voted as you indicate on the proxy card. **If you sign and return your proxy card and make no indication on the proxy card concerning this item, your shares will be voted FOR electing all nine nominees named in this proxy statement.**

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The second proposal is a proposal to ratify the selection of Deloitte & Touche LLP as our independent auditors for the current fiscal year ending January 2, 2005. The proxy card provides you with the opportunity to vote for or against this proposal or to abstain from voting on this proposal. Your shares will be voted as you indicate on the proxy card. **If you sign and return your proxy card and make no indication on the proxy card concerning this proposal, your shares will be voted FOR the second proposal.**

The third proposal is a stockholder proposal further described on the following pages. The third proposal will not be voted upon at the meeting unless it is presented by its proponents at the meeting. The proxy card provides you with the opportunity to vote for or against this proposal or to abstain from voting on this proposal. If this proposal is voted upon at the meeting, your shares will be voted as you indicate on the proxy card. **If you sign and return your proxy card and make no indication on the proxy card concerning this proposal, your shares will be voted AGAINST the third proposal.**

Management does not anticipate a vote on any other proposal at the meeting. If, however, another proposal is properly brought before the meeting, your shares will be voted in accordance with the discretion of the named proxies.

Votes Required

A majority in interest of all PerkinElmer common stock issued, outstanding and entitled to vote on each proposal being submitted for stockholder action at the meeting constitutes a quorum with respect to that proposal. Shares of common stock represented by executed proxies received by us will be counted for purposes of establishing a quorum, regardless of how or whether those shares are voted on the proposal. Therefore, abstentions and shares held in street name by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote those shares as to a particular proposal (which we refer to as broker non-votes) will be counted for purposes of determining whether a quorum exists at the meeting for that proposal.

The affirmative vote of the plurality of the votes cast at the meeting is required for the election of each of the nine directors. In other words, a candidate for director will be elected if he or she receives more votes than a competing candidate, even if the winning candidate does not receive a majority of the votes cast. The affirmative vote of the majority of the shares of common stock present or represented at the meeting and voting on the matter is required for the ratification of our independent auditors and for approval of the stockholder proposal (if presented). Shares that are withheld or that abstain from voting for a particular proposal will not be counted as votes in favor of that proposal, and will also not be counted as shares voting on that proposal. Accordingly, shares withheld or abstaining and broker non-votes will have no effect on voting on the proposal to elect directors, as that proposal requires the affirmative vote of the plurality of the votes cast at the meeting, nor will they have any effect on voting on the proposal to ratify our independent auditors or the shareholder proposal (if presented), as those proposals require the affirmative vote of the majority of the shares of common stock present or represented at the meeting and voting on the matter.

ITEM NO. 1

ELECTION OF DIRECTORS

Our charter and bylaws provide that the stockholders or the board of directors will fix the number of directors at not fewer than three nor more than thirteen. We currently have nine directors, all of whose terms expire at the meeting. Our charter and bylaws provide that at each annual meeting of stockholders, the successors of the directors will be elected for a one-year term.

Our board of directors, upon the recommendation of its nominating and corporate governance committee, has nominated the following persons for election as directors for one-year terms expiring at the annual meeting of stockholders to be held in 2005. All nine nominees are currently directors of PerkinElmer and, except for Mr. Mullen, were elected by our stockholders at the 2003 annual meeting. Upon the recommendation of our nominating and corporate governance committee, our board of directors increased the size of the board to nine

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and elected Mr. Mullen a director in January 2004. Mr. Mullen was originally proposed to the nominating and corporate governance committee by our Lead Director, G. Robert Tod.

Tamara J. Erickson	**Gabriel Schmergel**
Nicholas A. Lopardo	**Kenton J. Sicchitano**
Alexis P. Michas	**Gregory L. Summe**
James C. Mullen	**G. Robert Tod**
Dr. Vicki L. Sato	

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR

ELECTING THE NINE NOMINEES NAMED ABOVE
FOR TERMS OF ONE YEAR EACH.

The persons named as proxies on the proxy card will vote shares represented by a proxy for the election of the nine nominees for terms of one year each, unless the stockholder instructs otherwise on its proxy card. Our board of directors knows of no reason why any nominee should be unable or unwilling to serve. However, if that becomes the case, the persons named as proxies on the proxy card may vote to elect a substitute. In no event will shares represented by proxies be voted for more than nine nominees. To apprise you of their qualifications to serve as directors, we include the following information concerning each of the director nominees.

TAMARA J. ERICKSON: *Age 49; Principal Occupation: Management consultant specializing in corporate strategy and technology management. Member, Office of the President of The Concours Group, and director for The Concours Group. Director of PerkinElmer since 1995. Member of the compensation and benefits and nominating and corporate governance committees.*

Ms. Erickson is the co-author of the book, *Third Generation R&D: Managing the Link to Corporate Strategy*, published in 1991. She joined The Concours Group, a management consulting firm, in November 1998. Prior to joining The Concours Group, Ms. Erickson worked as an independent consultant specializing in corporate strategy and technology management from 1997 to October 1998. She served as head of U.S. consulting for P.A. Consulting Group, a management and technology consulting company, from May 1996 to September 1997. From 1995 to April 1996, Ms. Erickson was a Senior Vice President of Arthur D. Little, Inc., a consulting company with which she had been associated since 1978. From 1991 to 1995, Ms. Erickson served as a Managing Director of Arthur D. Little s management consulting business in North America, including strategy and organization, information systems, and operations management consulting services. Ms. Erickson holds a Bachelor of Arts degree in biological sciences from the University of Chicago and a Master of Business Administration degree from Harvard Business School.

NICHOLAS A. LOPARDO: *Age 57; Principal Occupation: Chairman and Chief Executive Officer of Susquehanna Capital Management Group, an investment holding company based in North Reading, Massachusetts. Director of PerkinElmer since 1996. Chairman of the finance committee and a member of the audit and compensation and benefits committees.*

Mr. Lopardo has been Chairman and Chief Executive Officer of Susquehanna Capital Management Group, an investment holding company, since January 2002. Mr. Lopardo retired in December 2001 as Vice Chairman of State Street Bank and Trust Company and Chairman and Chief Executive Officer of State Street Global Advisors, the bank s investment management group. Mr. Lopardo had been associated with State Street Bank and Trust Company since 1987, and previously held several executive level positions including Executive Vice President. Mr. Lopardo has over 30 years of experience in the pension industry, having served in a variety of roles with Equitable Life Assurance Society related to pension marketing, client relationships, and pension investment advisory services. He is a 1968 graduate of Susquehanna University with a Bachelor of Science degree in marketing and management, and since 1992 has served as a member of the board of directors of the University, holding the position of Chairman of that board in 2000 and 2001. He was also Chairman of the advisory board of the Weiss School of Business at Susquehanna University and is Chairman of the Board of the Landmark School, a premier secondary school for dyslexic students. Mr. Lopardo is also a board member of the Boston Partners in

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Education and the Hockey Humanitarian Foundation. He is an advisory board member of the Salvation Army, a director of Team Harmony Foundation and a member of the investment committee of USA Hockey, Inc.

ALEXIS P. MICHAS: *Age 46; Principal Occupation: Managing Partner and director of Stonington Partners, Inc., a private investment firm, and the Managing Partner and director of Stonington Partners, Inc. II. Director of PerkinElmer since 2001. Member of the audit and finance committees.*

Mr. Michas has been the Managing Partner and a director of Stonington Partners, Inc. since 1993, and he is also the Managing Partner and a director of Stonington Partners, Inc. II. From 1989 to May 2001, he was a director of Merrill Lynch Capital Partners, Inc. a private investment firm that is a wholly owned subsidiary of Merrill Lynch & Co., Inc., and was a consultant to Merrill Lynch Capital Partners from 1994 until June 2001. He was also a Managing Director of the Investment Banking Division of Merrill Lynch, Pierce, Fenner & Smith Incorporated from 1991 to 1994. Mr. Michas received a Bachelor of Arts degree from Harvard College and a Master of Business Administration degree from Harvard Business School. Mr. Michas also is a director of BorgWarner Inc., Goss Holdings, Inc., the parent corporation of Goss Graphic Systems, Inc., HK Systems, Inc., Lincoln Technical Institute, Inc., Palace Entertainment, Inc. and Global Motorsport Group, Inc.

JAMES C. MULLEN: *Age 45; Principal Occupation: Chief Executive Officer of Biogen Idec Inc., a biotechnology company based in Cambridge, Massachusetts. Director of PerkinElmer since January 2004.*

Mr. Mullen was appointed Chief Executive Officer of Biogen Idec Inc. in connection with the merger of Biogen, Inc. and IDEC Pharmaceuticals Corporation in November 2003. He was named Chairman of the board of directors of Biogen in July 2002, after being named President and Chief Executive Officer of Biogen in June 2000. Mr. Mullen joined Biogen in 1989 as Director, Facilities and Engineering. He was named Vice President, Operations, in 1992. From 1996 to 1999, Mr. Mullen served as Vice President, International of Biogen, with responsibility for building all Biogen operations outside North America. From 1984 to 1988, Mr. Mullen held various positions at SmithKline Beckman Corporation (now GlaxoSmithKline plc). He holds a Bachelor of Science degree in chemical engineering from Rensselaer Polytechnic Institute and a Master of Business Administration degree from Villanova University. Mr. Mullen is a director of Biogen Idec, and also serves on the board of trustees of Rensselaer Polytechnic Institute, the board of directors of the Biotechnology Industry Organization (BIO) and is co-chair of Cambridge Family and Children s Service Capital Campaign Steering Committee.

DR. VICKI L. SATO: *Age 55; Principal Occupation: President of Vertex Pharmaceuticals, Inc., a company based in Cambridge, Massachusetts, specializing in drug development. Director of PerkinElmer since 2001. Member of the nominating and corporate governance committee.*

Dr. Sato was appointed President of Vertex Pharmaceuticals in December 2000, after serving eight years as the company s Chief Scientific Officer and Chair of the scientific advisory board. Prior to joining Vertex Pharmaceuticals in 1992, she was with Biogen, Inc. from 1984 to 1992, most recently as Vice President of Research and a member of the scientific advisory board. Since 1993, Dr. Sato has served on the board of tutors, Department of Biochemistry and Molecular Biology at Harvard University. She also served as an Associate Professor in the Department of Biology at Harvard University from 1980 to 1983. Dr. Sato received her Bachelor, Master and Doctoral degrees from Harvard University. Dr. Sato serves as an overseer of the Isabella Stewart Gardner Museum and a trustee of Jose Mateo s Ballet Theatre. She is a director of Infinity Pharmaceuticals, a privately held biotechnology company, is the author of numerous professional publications and holds several issued or pending patents.

GABRIEL SCHMERGEL: *Age 63; Principal Occupation: Retired Chief Executive Officer and President of Genetics Institute, Inc. Director of PerkinElmer since 1999. Chairman of the nominating and corporate governance committee and a member of the audit committee.*

Mr. Schmergel received a Bachelor of Science degree in mechanical engineering from Rensselaer Polytechnic Institute and a Master of Business Administration degree from Harvard Business School, where he was named a Baker Scholar. Mr. Schmergel joined Genetics Institute, Inc. as President and CEO in 1981. Under his leadership, Genetics Institute, Inc. became a fully integrated biopharmaceutical company with a portfolio of drugs for hemophilia, anemia, and cancer. Genetics Institute, Inc. was acquired by Wyeth (formerly known as

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American Home Products Corporation) in 1996, and Mr. Schmergel retired as President and CEO in 1997. Mr. Schmergel was recognized with an honorary Doctorate of Engineering degree from Worcester Polytechnic Institute in 1988, and in 1994 was elected to the National Academy of Engineering for his leadership in biotechnology. From 1992 to 1998, he was a member of the visiting committee of Harvard Business School. He also spent five years on the board of governors of the New England Medical Center and on the board of trustees of the Boston Ballet. Currently, Mr. Schmergel serves on the board of overseers for the Tufts Veterinary School. Mr. Schmergel is also Chairman of the Board of Syntonix Pharmaceuticals, a privately held development stage biotechnology company.

KENTON J. SICCHITANO: *Age 59; Principal Occupation: Retired Global Managing Partner, PricewaterhouseCoopers LLP, a public accounting firm. Director of PerkinElmer since 2001. Chairman of the audit committee and a member of the compensation and benefits and executive committees.*

Mr. Sicchitano joined Price Waterhouse LLP, a predecessor firm of PricewaterhouseCoopers LLP, in 1970, and after becoming a partner in 1979, held various leadership positions within the firm until he retired in June 2001. Mr. Sicchitano holds a Bachelor of Arts degree from Harvard College and a Master of Business Administration degree from Harvard Business School. Mr. Sicchitano also is a director of Analog Devices, Inc., MetLife, Inc. and its wholly owned subsidiary, Metropolitan Life Insurance Company. At various times from 1986 to 1995 he served as a director and/or officer of a number of not-for-profit organizations, including President of the Harvard Business School Association of Boston, Treasurer of the Harvard Club of Boston, member of the board of directors of the Harvard Alumni Association, member of the board of directors and Chair of the finance committee of New England Deaconess Hospital, and member of the board of directors of the New England Aquarium.

GREGORY L. SUMME: *Age 47; Principal Occupation: Chairman, Chief Executive Officer and President of PerkinElmer. Director of PerkinElmer since 1998. Chairman of the executive committee and a member of the finance committee.*

Mr. Summe was named our Chief Executive Officer effective January 1, 1999 and Chairman effective April 27, 1999. He was appointed President and Chief Operating Officer and elected to our board of directors in February 1998. Prior to joining PerkinElmer, Mr. Summe held several management positions with AlliedSignal, Inc., now Honeywell International, and General Electric. Previously, he was a partner at McKinsey & Co., Inc. Mr. Summe is a director of State Street Corporation. He holds a Bachelor of Science and a Master of Science degree in electrical engineering from the University of Kentucky and the University of Cincinnati, respectively, and a Master of Business Administration degree from the Wharton School at the University of Pennsylvania. Mr. Summe is also a trustee of the Fessenden School and a member of the Singapore-US Business Council.

G. ROBERT TOD: *Age 64; Principal Occupation: Retired Vice Chairman, President and Chief Operating Officer and director of the CML Group, Inc., a specialty marketing company. Director of PerkinElmer since 1984. Lead Director, Chairman of the compensation and benefits committee and a member of the executive, finance, and nominating and corporate governance committees.*

Mr. Tod received a Bachelor of Science degree in mechanical engineering from Rensselaer Polytechnic Institute in 1961 and a Master of Business Administration degree from Harvard Business School. Mr. Tod is co-founder of the CML Group, Inc. and served as its Vice Chairman, President and Chief Operating Officer from 1969 to his retirement in 1998. Mr. Tod is currently non-executive Chairman of Allagash Brewing Co. and serves on the board of trustees of Rensselaer Polytechnic Institute. Mr. Tod is a former director of SCI Systems, Inc., US Trust, Walden Bancorp and Domain Inc. He also previously served as a trustee of Emerson Hospital, the Middlesex School, the Fenn School and as a Vice President of the Alumni Executive Council of the Harvard Business School.

INFORMATION RELATIVE TO THE BOARD OF DIRECTORS

AND CERTAIN OF ITS COMMITTEES

Determination of Independence

Our common stock is listed on the New York Stock Exchange. Under current NYSE rules, a director of PerkinElmer qualifies as independent only if our board of directors affirmatively determines that the director has no material relationship with PerkinElmer, either directly or as a partner, stockholder or officer of an organization that has a relationship with PerkinElmer. In evaluating potentially material relationships, the board considers commercial, industrial, banking, counseling, legal, accounting, charitable and familial relationships, among others. Our board of directors has determined that none of Ms. Erickson, Messrs. Lopardo, Michas, Mullen, Schmergel, Sicchitano or Tod or Dr. Sato has a material relationship with PerkinElmer, and each of these directors is independent as determined under Section 303A.02(b) of the NYSE Listed Company Manual.

Director Candidates

Our stockholders may recommend director candidates for inclusion by the board of directors in the slate of nominees the board recommends to our stockholders for election. The qualifications of recommended candidates will be reviewed by the nominating and corporate governance committee. If the board determines to nominate a stockholder-recommended candidate and recommends his or her election as a director by the stockholders, the name will be included in our proxy card for the stockholders meeting at which his or her election is recommended.

Stockholders may recommend individuals for the nominating and corporate governance committee to consider as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to the PerkinElmer Nominating and Corporate Governance Committee c/o Office of the General Counsel, PerkinElmer, Inc., 45 William Street, Wellesley, Massachusetts 02481. The nominating and corporate governance committee will consider a proposed director candidate only if appropriate biographical information and background material is provided on a timely basis. The process followed by the nominating and corporate governance committee to identify and evaluate candidates includes requests to board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the nominating and corporate governance committee and the board of directors. Assuming that appropriate biographical and background material is provided for candidates recommended by stockholders, the nominating and corporate governance committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria, as for candidates submitted by board members.

In considering whether to recommend any candidate for inclusion in the board of directors slate of recommended director nominees, including candidates recommended by stockholders, the nominating and corporate governance committee will apply the criteria set forth in PerkinElmer s corporate governance guidelines. These criteria include the candidate s experience, skills, and independence. In evaluating a candidate s experience and skills, the nominating and corporate governance committee may also consider qualities such as an understanding of technologies, marketing, finance, regulation and public policy and international issues. In evaluating a candidate s independence, the nominating and corporate governance committee will consider the applicable independence standards of the New York Stock Exchange and such other factors as the committee deems appropriate. Under our bylaws, a director is deemed to have retired at the annual meeting of stockholders following the date he or she attains the age of 70 years. The nominating and corporate governance committee will evaluate each director candidate in the context of the perceived needs of the board of directors and the best interests of PerkinElmer and its stockholders. The nominating and corporate governance committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow our board of directors to fulfill its responsibilities.

Communications from Stockholders and Other Interested Parties

Our board of directors will give appropriate attention to written communications on issues that are submitted by stockholders and other interested parties, and will respond if and as appropriate.

Stockholders who wish to communicate with our entire board may do so by writing to Gregory L. Summe, Chairman of the Board, PerkinElmer, Inc., 45 William Street, Wellesley, Massachusetts 02481. Stockholders who wish to communicate with our non-management directors should address such communications to G. Robert Tod, Lead Director, c/o Office of the General Counsel, PerkinElmer, Inc., 45 William Street, Wellesley, Massachusetts 02481. Communications will be forwarded to other directors if they relate to substantive matters that the Chairman or the Lead Director, as the case may be, in consultation with the company s General Counsel, considers appropriate for attention by the other directors. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which PerkinElmer tends to receive repetitive or duplicative communications.

Board of Directors Meetings and Committees

Our board of directors has responsibility for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. The board s primary responsibility is to oversee the management of the company and, in so doing, serve the best interests of our company and its stockholders. The board selects, evaluates and provides for the succession of executive officers and, subject to stockholder election, directors. It reviews and approves corporate objectives and strategies, and evaluates significant policies and proposed major commitments of corporate resources. It participates in decisions that have a potential major economic impact on PerkinElmer. Management keeps the directors informed of company activity through regular written reports and presentations at board and committee meetings.

Our board of directors met six times in fiscal 2003. Each director attended 75% or more of the total number of meetings during fiscal year 2003 of the board of directors and the committees of which such director was a member.

Our board s standing committees are audit, compensation and benefits, executive, finance, and nominating and corporate governance. Each committee has a charter that has been approved by the board. Each committee must review the appropriateness of its charter and perform a self-evaluation at least annually. You can access our committee charters, corporate governance guidelines and standards of business conduct in the Corporate Governance section of the Investor Corner of our website, *www.perkinelmer.com,* or by writing to PerkinElmer, Inc., 45 William Street, Wellesley, Massachusetts 02481, Attention: Investor Relations. In addition, the charter of our audit committee is attached as Annex A to this proxy statement.

Mr. Summe is the only director who is also an employee of PerkinElmer. He does not participate in any meeting at which his compensation is determined.

Our board of directors has appointed G. Robert Tod Lead Director to, among other responsibilities set forth in our corporate governance guidelines, preside at all executive sessions of non-management directors, as defined under the rules of the NYSE. Our board of directors holds executive sessions of non-management directors preceding or following each regularly scheduled board meeting.

We expect, barring extenuating circumstances, that the members of the board of directors will attend our annual meetings of stockholders. In 2003, all directors attended our annual meeting of stockholders.

Audit Committee

Our audit committee assists the board of directors in overseeing the integrity of our financial statements, our compliance with legal and regulatory requirements, our independent auditor s qualifications and independence and the performance of our internal audit function and independent auditors. The current members of our audit committee are Messrs. Sicchitano (Chair), Lopardo, Michas and Schmergel. Mr. Sicchitano qualifies as an audit committee financial expert as defined in Item 401(h) of Regulation S-K. Each of Messrs. Sicchitano, Lopardo,

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Michas and Schmergel is an independent director under the rules of the NYSE governing the qualifications of the members of audit committees, including the additional independence requirements of Rule 10A-3 under the Exchange Act. In addition, our board of directors has determined that each member of the audit committee is financially literate and that Mr. Sicchitano has accounting and/or related financial management expertise as required under the rules of the NYSE. None of Messrs. Sicchitano, Lopardo, Michas or Schmergel serves on the audit committees of more than two other public companies. The audit committee held eight meetings during fiscal 2003.

Compensation and Benefits Committee

Our compensation and benefits committee discharges the responsibilities of our board of directors relating to the compensation of our Chief Executive Officer and our other executive officers. The compensation and benefits committee also oversees the evaluation of management by the board of directors. The compensation and benefits committee also grants stock options and other stock incentives to our officers and employees and administers our incentive, compensation and benefit plans. The current members of the compensation and benefits committee are Messrs. Tod (Chair), Lopardo and Sicchitano and Ms. Erickson. The board of directors has determined that each of Messrs. Tod, Lopardo and Sicchitano and Ms. Erickson is independent as defined under the rules of the NYSE. Our compensation and benefits committee held ten meetings during fiscal 2003.

Executive Committee

Our executive committee, which acts as needed during intervals between board meetings, has been delegated all of the powers of our board of directors, except those powers which by law or under our charter or bylaws the board of directors is prohibited from delegating. The current members of the executive committee are Mr. Summe (Chair), Mr. Tod and Mr. Sicchitano. The board of directors has determined that each of Messrs. Tod and Sicchitano is independent as defined under the rules of the NYSE. Mr. Summe is our Chairman of the Board, Chief Executive Officer and President. Mr. Tod is our Lead Director. Our executive committee did not meet during fiscal year 2003.

Finance Committee

Our finance committee considers and approves the specific terms of debt and equity securities to be issued by PerkinElmer and indebtedness and off-balance sheet transactions to be entered into by PerkinElmer. The finance committee also considers and approves transactions affecting the company s capital structure. The current members of our finance committee are Messrs. Lopardo (Chair), Michas, Summe and Tod. The board has determined that each of Messrs. Lopardo, Michas and Tod is independent as defined under the rules of the NYSE. Mr. Summe is our Chairman of the Board, Chief Executive Officer and President. Our finance committee held two meetings during fiscal year 2003.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee identifies qualified director candidates, recommends to the board of directors the persons to be nominated by the board for election as directors at the annual meeting of stockholders, reviews and recommends changes to our corporate governance principles and oversees the evaluation of the board of directors. The current members of the nominating and corporate governance committee are Messrs. Schmergel (Chair) and Tod, Ms. Erickson and Dr. Sato. The board has determined that each of Messrs. Schmergel and Tod, Ms. Erickson and Dr. Sato is independent as defined under the rules of the NYSE. The nominating and corporate governance committee is authorized to retain advisers and consultants and to compensate them for their services. The committee did not retain any such advisers or consultants during fiscal year 2003. For information relating to nominations of directors by our stockholders, see Director Candidates above. Our nominating and corporate governance committee held two meetings during fiscal year 2003.

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Report of the Audit Committee

The audit committee has:

Reviewed and discussed with management our audited financial statements as of and for the fiscal year ended December 28, 2003;

Discussed with Deloitte & Touche LLP, our independent auditors, the matters required to be discussed by Statement on Accounting Standards 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants;

Discussed with Deloitte & Touche LLP the matters required to be reviewed pursuant to Rule 207 of Regulation S-X;

Received and reviewed the written disclosures and the letter from Deloitte & Touche LLP required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as amended, by the Independence Standards Board, and discussed with Deloitte & Touche LLP its independence; and

Based on the review and discussions referred to above, recommended to the board of directors that the audited financial statements referred to above be included in our annual report on Form 10-K for the fiscal year ended December 28, 2003 for filing with the Securities and Exchange Commission.

The audit committee is pleased to submit this report to the stockholders.

By the audit committee of the board of directors:

Kenton J. Sicchitano, Chairman
Nicholas A. Lopardo
Alexis P. Michas
Gabriel Schmergel

Independent Auditors Fees and Other Matters

The following table presents the aggregate fees billed for services rendered by Deloitte & Touche LLP, the member firms of Deloitte & Touche Tohmatsu and their respective affiliates, in the identified categories for the 2003 fiscal year and the 2002 fiscal year. Amounts for the 2002 fiscal year have been reclassified as required to conform to the 2003 presentation:

	Fiscal 2003	Fiscal 2002
Audit Fees	$2,155,000	$1,492,500
Audit-Related Fees	410,000	2,355,000
Tax Fees	1,461,000	342,000
All Other Fees	0	0
Total Fees	$4,026,000	$4,189,500

Audit Fees

These are fees related to professional services rendered in connection with the audit of our annual financial statements, the reviews of the interim financial statements included in each of our quarterly reports on Form 10-Q and other professional services provided by our auditors in connection with statutory or regulatory filings or engagements.

Audit-Related Fees

These are fees for assurance and related services that are reasonably related to performance of the audit and review of our financial statements and which are not reported under Audit Fees. These services consisted primarily of audits of employee benefit plans, specific internal control process reviews, consultations regarding

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accounting and financial reporting and attestation services for such matters as required for consents related to registration statements and other filings with the Securities and Exchange Commission. No audit-related fees for either 2003 or for 2002 were provided under the de minimis exception to the audit committee pre-approval requirements.

Tax Fees

These are fees billed for professional services for tax compliance, tax advice and tax planning services. Tax compliance services which relate to preparation of original and amended international tax returns (fees for which amounted to $966,000 in 2003 and $0 in 2002) and expatriate tax return preparation and assistance (fees for which amounted to $381,000 in 2003 and $250,000 in 2002), accounted for $1,347,000 of the total tax fees paid for fiscal 2003 and $250,000 of the total tax fees paid for fiscal 2002. Tax advice and planning services, including consultations on foreign tax transactions, assistance with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefit plans and requests for rulings or technical advice from taxing authorities, amounted to $114,000 for fiscal 2003 and $92,000 for fiscal 2002. No tax fees for either 2003 or for 2002 were provided under the de minimis exception to the audit committee pre-approval requirements.

All Other Fees

There were not any fees for other services in either 2003 or 2002.

Audit Committee s Pre-approval Policy and Procedures

During fiscal year 2003, the audit committee of our board of directors adopted policies and procedures for the pre-approval of audit and non-audit services for the purpose of maintaining the independence of our independent auditors. We may not engage our independent auditors to render any audit or non-audit service unless either the service is approved in advance by the audit committee or the engagement to render the service is entered into pursuant to the audit committee s pre-approval policies and procedures. On an annual basis, the audit committee may pre-approve services that are expected to be provided to PerkinElmer by the independent auditors during the following 12 months. At the time such pre-approval is granted, the audit committee must (1) identify the particular pre-approved services in a sufficient level of detail so that our management will not be called upon to make a judgment as to whether a proposed service fits within the pre-approved services and (2) establish a monetary limit with respect to each particular pre-approved service, which limit may not be exceeded without obtaining further pre-approval under the policy.

On a semi-annual basis, management provides the audit committee with an update of proposed services for pre-approval. Any additional services which fall outside the scope of the semi-annual review process require advance approval by the audit committee. The audit committee may delegate to one or more designated members of the committee the authority to grant pre-approvals of permitted services or classes of permitted services to be provided by the independent auditors. The decisions of a designated member to pre-approve a permitted service are reported to the audit committee at each of its regularly scheduled meetings.

Director Compensation

Directors who are employees of PerkinElmer receive no additional compensation for their services as directors. In 2003, each non-employee director was paid an annual retainer of $30,000 plus an award of 4,228 shares of our common stock which had a market value on the date of award of $40,000. The Lead Director and the audit committee Chair were paid an additional annual cash retainer of $10,000. The retainer and common stock award were pro-rated for directors who served for only a portion of the year. In addition, in 2003 each non-employee director other than the Lead Director and the audit committee Chair was awarded options to purchase 7,893 shares of our common stock at a per share exercise price of $9.46. Each of the Lead Director and the audit committee Chair was awarded options to purchase 9,647 shares of common stock at a per share exercise price of $9.46.

During 2003, our compensation and benefits committee reviewed our director compensation policies with the assistance of an outside advisor. The outside advisor provided data on director compensation programs at a

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number of companies identified by the committee and the outside advisor as industry peers, as further described in this proxy statement under the heading Board Compensation Committee Report Overall Philosophy. After evaluating the market data and recommendations provided by the outside advisor, the compensation and benefits committee recommended to the board of directors, and the board of directors approved, a change in the compensation for non-employee directors for 2004. Commencing January 1, 2004, each non-employee director will be paid an annual retainer of $50,000 plus an award of shares of our common stock with a market value on the date of award of $60,000. The Lead Director and audit committee Chair will be paid an additional cash retainer of $20,000. The retainer and common stock award will be pro-rated for directors who serve only a portion of the year. In addition, each non-employee director will receive an annual option award, valued at $55,000 using the Black-Scholes valuation methodology.

New non-employee directors will continue to receive an initial, one-time stock option grant of 10,000 shares. James C. Mullen received such an award in January 2004 at a per share exercise price of $19.84. All option grants to non-employee directors are made with an exercise price equal to the fair market value on the date of grant. All option grants to non-employee directors vest in four equal annual installments and may be exercised for seven years. Directors may defer compensation in the form of fees and grants of common stock into our deferred compensation plan.

We expect each director to own PerkinElmer stock in the amount of $90,000 within three years of the director s election to our board. Our compensation and benefits committee periodically reviews and makes recommendations to the board of directors regarding director compensation and director compensation guidelines. Our director compensation, including annual retainers and stock and option awards, is therefore subject to adjustment.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table identifies the only persons known to us to be beneficial owners of five percent or more of the outstanding shares of our common stock. The information in this table and the footnotes is taken from a Schedule 13G/A filed on February 11, 2004 by Stonington Capital Appreciation 1994 Fund, L.P., Stonington Partners, L.P., Stonington Partners, Inc. II and Stonington Partners, Inc., to which we refer collectively as the Stonington entities, and a Schedule 13G/A filed on February 17, 2004 by FMR Corp.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class Outstanding Beneficially Owned
Stonington Capital Appreciation 1994 Fund, L.P Stonington Partners, L.P. Stonington Partners, Inc. II Stonington Partners, Inc. c/o Stonington Partners, Inc. 767 Fifth Avenue, 48th Floor New York, NY 10153	7,609,554(1)	6.0%
FMR Corp. Edward C. Johnson 3d Abigail P. Johnson Fidelity Management & Research Company 82 Devonshire Street Boston, MA 02109	6,413,764(2)	5.1%

NOTES

(1) The Schedule 13G/A filed by the Stonington entities states that (i) Stonington Capital Appreciation 1994 Fund, L.P. owns of record 7,609,554 shares of our common stock, (ii) Stonington Partners, Inc. has dispositive power over the shares held by Stonington Capital Appreciation 1994 Fund, L.P. and (iii) Stonington Partners L.P., Stonington Partners, Inc. II and Stonington Partners, Inc. each disclaims beneficial ownership of those shares, except to the extent of its economic interest therein. Alexis P. Michas, a director of PerkinElmer, is a director of Stonington Partners, Inc. and Stonington Partners, Inc. II. Mr. Michas disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.

(2) The Schedule 13G/A filed by FMR Corp. states that (i) FMR Corp. beneficially owns 6,002,900 shares of our common stock as a result of acting as an investment adviser to various investment companies, Edward C. Johnson 3d. and FMR Corp. each has the sole power to dispose of those shares and the respective boards of trustees of the investment companies have the sole power to vote and direct the vote for those shares, (ii) Fidelity Management Trust Company, a wholly owned subsidiary of FMR Corp., beneficially owns 274,464 shares of our common stock as a result of acting as investment manager of institutional accounts and Edward C. Johnson 3d. and FMR Corp. each has the sole power to vote or direct the vote for the 274,464 shares, (iii) members of the Edward C. Johnson 3d. family, including Edward C. Johnson 3d. and Abigail Johnson, may be deemed to be a controlling group with respect to FMR Corp. and (iv) Fidelity International Limited is the beneficial owner of 136,400 shares of our common stock and has sole voting and dispositive power with respect to those shares.

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SECURITY OWNERSHIP OF MANAGEMENT

The following table shows the number of shares of our common stock beneficially owned on February 15, 2004 by (1) each of the directors and nominees for director individually, (2) each of the executive officers named in the Summary Compensation Table below and (3) all executive officers, directors, and nominees for director as a group. The beneficial ownership set forth below includes any shares which the person has the right to acquire within 60 days after February 15, 2004 through the exercise or conversion of any stock option or other right.

Name(1)	Stock	Stock-Based Holdings(2)	Acquirable Within 60 Days(3)	Total Shares Beneficially Owned(4)
Terrance L. Carlson	52,237	48,329	367,334	467,900
Peter B. Coggins	60,000		101,667	161,667
Tamara J. Erickson	15,248		27,768	43,016
Robert F. Friel	104,328	83,311	450,000	637,639
Nicholas A. Lopardo	10,715	23,483	34,768	68,966
Alexis P. Michas (5)	7,617,602		8,767	7,626,369
James C. Mullen	1,006			1,006
Vicki L. Sato	8,198		8,767	16,965
Gabriel Schmergel	17,048		14,768	31,816
Kenton J. Sicchitano	10,348		15,901	26,249
Gregory L. Summe	286,667	203,757	1,850,000	2,340,424
G. Robert Tod	34,648		44,235	78,883
Richard F. Walsh	53,169	77,224	446,666	577,059
All executive officers, directors, and nominees for director as a group, 16 in number, including those listed above	8,349,541	491,097	3,817,645	12,658,283

NOTES

(1) Mr. Summe s ownership represents 1.8% of the outstanding shares of common stock and Mr. Michas s ownership, as described in footnote 5 below, represents 6.0% of the outstanding shares of common stock, in each case calculated in accordance with applicable SEC rules. No other individual s holdings totaled more than 1% of the outstanding shares of common stock, calculated in accordance with applicable SEC rules. The ownership of all executive officers, directors and nominees for director as a group, including shares beneficially owned by Mr. Michas for which he disclaims beneficial ownership, totals 9.9% of the outstanding shares of common stock. Except as set forth in footnote 5 below, each individual has sole voting and investment power over the shares of common stock identified in the table as beneficially owned by the individual. The number of shares stated as being owned beneficially includes shares held by spouses, minor children and trusts. The inclusion of those shares in this proxy statement, however, does not constitute an admission that the executive officers, directors, or nominees for director are direct or indirect beneficial owners of the shares.

(2) Represents other common stock-based holdings, including, as appropriate, investments in the PerkinElmer stock fund selected by the employee in our retirement savings plan and shares that are accrued under our deferred compensation plan and are payable 100% in common stock at the time of distribution.

(3) Represents shares of common stock that may be acquired within 60 days after February 15, 2004 upon the exercise of outstanding stock options.

(4) Represents the sum of the shares set forth for the individual in each of the Stock, Stock-Based Holdings and Acquirable Within 60 Days columns.

(5) Mr. Michas is a director of Stonington Partners, Inc. II, the general partner of Stonington Partners, L.P. and the general partner of Stonington Partners, Inc., the management company of Stonington Capital Appreciation 1994 Fund, L.P. The shares shown as beneficially owned by Mr. Michas includes 7,609,554 shares held by Stonington Capital Appreciation 1994 Fund, L.P. Mr. Michas disclaims beneficial ownership of those shares, except to the extent of his pecuniary interest therein.

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BOARD COMPENSATION COMMITTEE REPORT

ON EXECUTIVE COMPENSATION

The compensation and benefits committee of our board of directors is composed entirely of independent directors. The committee establishes and administers an overall compensation program for our top executives that is intended to support our commitment to enhancing stockholder value by attracting and retaining high-performing executives and motivating them to achieve our objectives. The committee reviews and approves compensation for our Chief Executive Officer and reviews and approves compensation for the other executive officers, including salary, annual and long-term incentives, stock compensation and any other executive benefits. The committee also reviews and approves performance measures in the annual and long-term incentive plans.

Our board of directors has determined that each member of our compensation and benefits committee is an independent director as defined by the New York Stock Exchange rules. In 2003, the board of directors adopted a new charter for the committee. The committee charter is available in the Corporate Governance section of the Investor Corner section of our website at *www.perkinelmer.com*. You can also obtain the committee charter by writing to PerkinElmer, Inc., 45 William Street, Wellesley, Massachusetts 02481, Attention: Investor Relations. The committee met ten times during 2003. The committee engaged an outside advisor to provide advice on total compensation levels, data on compensation levels for similar positions at comparable companies and expertise on compensation strategy and program design.

Overall Philosophy

Our overall executive compensation philosophy is that pay should be performance based, vary with the attainment of specific financial and non-financial objectives and be closely aligned with the interests of our stockholders. Under the guidance of the committee, our compensation policies have been designed to link executive compensation to the attainment of our specific goals. We designed these policies to allow us to attract and retain senior executives critical to the long-term success of a global technology organization by providing a competitive compensation package and recognizing and rewarding individual contributions.

The committee regularly utilizes the assistance of independent outside advisors to provide information on market practices, programs and compensation levels. In 2003, the committee, working with an outside advisor, identified industry peers which are similar in size to PerkinElmer and operate in similar industries. The committee believes that PerkinElmer s most direct competitors for executive and director talent are not necessarily those companies included in the peer group established to compare stockholder returns. Therefore, the companies used for comparative purposes for compensation analysis largely overlap, but are not identical to, the peer group companies described in this proxy statement under the heading, Stock Performance Graph. The committee reviewed compensation levels for individuals holding similar positions at those peer companies. In addition, the committee confirmed its philosophy of performance-based compensation. Base salaries are positioned between the median and 75th percentile of the market data made available to the committee, dependent on the experience, tenure, performance and potential of the individual. Incentive award programs provide opportunities for payout above the market median provided that company and individual performance warrant such payout levels. The key elements of our executive compensation program are base salary, annual incentive awards and long-term incentive awards, including stock compensation.

Components of Executive Compensation

Base Salary

Each year, the committee reviews and establishes the base salary of our executive officers, including our Chief Executive Officer. Increases, if any, are based on individual performance, existing employment agreements and market conditions. In 2003, the committee also evaluated compensation information provided by an outside advisor for individuals holding similar positions in other companies that the committee considers to be comparable to PerkinElmer.

None of the executive officers named in the Summary Compensation Table received a base salary increase in 2003. The committee made this decision due to the challenging economic conditions in the company s markets,

and our executive officers supported this decision. In January 2002, Mr. Summe s base salary was increased from $850,000 to $950,000 per year. At Mr. Summe s request, due to the challenging economic conditions in the company s markets, this salary increase did not take effect until 2003.

Annual Incentive Awards

Our Performance Incentive Plan, or PIP, is a cash-based incentive bonus program. Our executive officers, including those named in the Summary Compensation Table, are participants in the PIP. Although the PIP was the primary source of cash incentives for officers in 2003, the committee may award additional incentives to selected officers outside of the PIP in circumstances which the committee determines are appropriate.

In 2003, the PIP measured the Chief Executive Officer and chief accounting, financial, legal and human resources officers on the basis of earnings per share, or EPS, and cash flow performance to determine payments. Similarly, the PIP measured officers and other key employees in the strategic business units, or SBUs, on SBU net income and cash flow performance. For 2003, each officer was assigned a target incentive based in part upon competitive data provided by an outside advisor, expressed as a percentage of base salary ranging between 40% and 100%. The actual incentive award is determined by multiplying the target incentive by a performance factor, ranging from 0% to 200%, determined by the applicable EPS, cash flow and net income performance. For all executive officers other than the Chief Executive Officer, the committee may adjust the PIP awards either up or down to reflect the committee s view of the appropriate incentive for the year in light of corporate and individual performance. The committee has discretion to reduce, but not to increase, the Chief Executive Officer s actual PIP bonus payment from the amount determined by the formula.

The committee s determination of the PIP incentive bonus for Mr. Summe for 2003 began by multiplying his target incentive described above (100% of base salary) by the performance factors determined by the company s actual EPS and cash flow performance. In 2003, the company achieved performance on earnings per share and cash flow that exceeded the PIP performance targets established by the committee, and he was therefore awarded the maximum PIP incentive bonus payable under the formula. In addition, under a separate program, the committee established performance objectives for the Chief Executive Officer and evaluated him against those objectives under three categories: strategic, operational and organizational. Based upon this evaluation, the committee exercised its discretion to pay Mr. Summe a bonus for 2003 that is in addition to the bonus he received from the PIP. Mr. Summe received a total bonus for 2003 of $1,755,600, which comprises a PIP award of $1,463,000 as determined by the plan formula, and an additional bonus of $292,600, as determined by his strategic, operational, and organizational accomplishments.

Long-term Incentives

Our long-term incentive program is designed to align executives interests with those of stockholders, motivate the officer team to achieve our key financial goals and reward superior performance. In 2003, the committee, working with its outside advisor, undertook a review and redesign of our long-term incentive plan. The new program, which consists of stock-options, performance-contingent restricted stock and a performance unit program with cash awards, began January 1, 2004 and is described below. In October 2003, our officers, including our Chief Executive Officer, each received a stock option grant. For executive officers named in the Summary Compensation Table, including our Chief Executive Officer, their 2003 option grants are shown in the Option Grant Table. The option grant to the Chief Executive Officer and other officers was based on a review of long-term incentive grants made to individuals in similar positions by companies the committee determined are comparable to PerkinElmer. The data was provided by an outside advisor. The committee also takes into account the individual s level of responsibility within the company and individual performance in determining grant size. We did not make any other long-term incentive awards to officers in 2003.

The committee grants stock options to our senior executives based on corporate and individual performance as well as competitive industry practice as indicated by market data provided by an outside advisor for companies which the committee considers to be comparable to PerkinElmer as described above. The committee uses the Black-Scholes method for determining the value of option grants. This method takes into consideration a number

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of factors, including the stock s volatility, dividend rate, option term and risk-free rates to estimate the option s present value. We grant stock options with an exercise price equal to the fair market value on the date of grant.

For 2004, the committee, working with an outside advisor, designed a performance-contingent restricted stock component for our long-term incentive program to motivate officers to achieve significant financial performance goals by linking compensation directly with stockholder return and providing retention incentives through equity ownership. All of our executive officers, including our Chief Executive Officer, participate in the performance-contingent restricted stock plan. For the three-year performance period beginning in 2004, the committee, working with outside advisors, set earnings per share vesting targets. The shares vest upon achievement of earnings per share goals (one-third of the shares vest upon achievement of each of the three EPS goals) over a performance period that begins on January 1, 2004 and ends December 31, 2006. If performance conditions are not met on or before December 31, 2006, the shares are forfeited.

Also for 2004, the committee, working with an outside advisor, developed a performance unit component for our long-term incentive program. All of our executive offi