

## 2005 Condensed Consolidated Statements of Income and Reconciliation of Non-GAAP Adjustments <sup>(1)</sup>

(In thousands, except per share data) (Unaudited)	Twelve Months Ended December 31, 2005		
	GAAP	Non-GAAP Adjustments	Non-GAAP
Net sales	\$991,031	\$ —	\$991,031
Cost of sales	472,023	(14,714) <sup>(2)</sup>	457,309
Gross profit	519,008	14,714	533,722
Margin %	52.4%		53.9%
Selling, general and administrative expenses	304,696	(15,833) <sup>(3)</sup>	288,863
Research and development expenses	66,052	(478) <sup>(4)</sup>	65,574
Purchased intangibles amortization	4,333	(4,333) <sup>(5)</sup>	—
Purchased in-process research and development	3,149	(3,149) <sup>(6)</sup>	—
Operating income	140,778	38,507	179,285
Operating margin %	14.2%		18.1%
Interest income	3,466	—	3,466
Interest expense	(6,711)	—	(6,711)
Income before income taxes	137,533	38,507	176,040
Provision for income taxes	57,365	(14,587) <sup>(7)</sup>	42,778
Income tax rate	41.7%		24.3%
Net income	\$ 80,168	\$ 53,094	\$133,262
Diluted income per share	\$ 1.55	\$ 1.03	\$ 2.58
Diluted weighted average shares outstanding	51,659	51,659	51,659

(1) Non-GAAP adjustments include unusual or non-recurring items. We calculate and disclose these non-GAAP measures because we believe that these measures may allow investors a better understanding of the underlying trends in evaluating our results. We include purchased intangibles amortization as a non-GAAP adjustment as we believe this may help investors evaluate our operating results in a consistent manner over time notwithstanding the ongoing acquisition of new businesses.

(2) Cost of sales non-GAAP adjustments represent \$12,542 related to our global supply chain initiative and \$2,172 related to inventory fair value adjustments from business acquisitions.

(3) Selling, general and administrative non-GAAP adjustments include \$1,066 of professional fees associated with the repatriation of foreign earnings, \$11,572 of executive termination costs and \$3,195 of severance related to the divisional consolidation.

(4) Research and development non-GAAP adjustments include \$478 of severance related to the divisional consolidation.

(5) Purchased intangibles amortization is adjusted for non-GAAP presentation.

(6) Purchased in-process research and development associated with the NovAseptic acquisition.

(7) The effective income tax rate used in the calculation of non-GAAP net income differs from the effective income tax rate for GAAP purposes due primarily to the geographic mix of profits. The tax impact of the non-GAAP adjustments was \$12,870. In addition, the provision for income taxes was decreased by \$30,634 for tax obligations related to the repatriation of foreign earnings, partially offset by the release of \$3,177 of tax valuation allowances.

## 2004 Condensed Consolidated Statements of Income and Reconciliation of Non-GAAP Adjustments<sup>(1)</sup>

(In thousands, except per share data) (Unaudited)	Twelve Months Ended December 31, 2004		
	GAAP	Non-GAAP Adjustments	Non-GAAP
Net sales	\$883,263	\$ —	\$883,263
Cost of sales	412,129	—	412,129
Gross profit	471,134	—	471,134
Margin %	53.3%		53.3%
Selling, general and administrative expenses	267,540	(7,412) <sup>(2)</sup>	260,128
Research and development expenses	62,485	—	62,485
Purchased intangibles amortization	3,256	(3,256) <sup>(3)</sup>	—
Operating income	137,853	10,668	148,521
Operating margin %	15.6%		16.8%
Interest income	2,073	—	2,073
Interest expense	(9,447)	—	(9,447)
Income before income taxes	130,479	10,668	141,147
Provision for income taxes	24,923	6,445 <sup>(4)</sup>	31,368
Income tax rate	19.1%		22.2%
Net income	\$105,556	\$ 4,223	\$109,779
Diluted income per share	\$ 2.10	\$ 0.09	\$ 2.19
Diluted weighted average shares outstanding	50,201	50,201	50,201

(1) Non-GAAP adjustments include unusual or non-recurring items. We calculate and disclose these non-GAAP measures because we believe that these measures may allow investors a better understanding of the underlying trends in evaluating our results. We include purchased intangibles amortization as a non-GAAP adjustment as we believe this may help investors evaluate our operating results in a consistent manner over time notwithstanding the ongoing acquisition of new businesses.

(2) Selling, general and administrative non-GAAP adjustments include \$4,408 of executive termination costs and \$3,004 for the write-off of intangible assets and fixed assets.

(3) Purchased intangibles amortization is adjusted for non-GAAP presentation.

(4) The effective income tax rate used in the calculation of non-GAAP net income differs from the effective income tax rate for GAAP purposes due primarily to the geographic mix of profits.

**Report of Independent Registered Public Accounting Firm**

To the Shareholders and Directors of Millipore Corporation:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of Millipore Corporation as of December 31, 2005 and 2004, and for each of the three years in the period ended December 31, 2005, management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2005 and the effectiveness of the Company's internal control over financial reporting as of December 31, 2005; and in our report dated March 15, 2006, we expressed unqualified opinions thereon. The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting referred to above (not presented herein) appear in Items 8 and 9A, respectively, of Millipore Corporation's annual report on Form 10-K for the year ended December 31, 2005.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements appearing on page 31 and 32, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.



PricewaterhouseCoopers LLP  
Boston, Massachusetts  
March 15, 2006

## Condensed Consolidated Statements of Income

(In thousands, except per share data)	Twelve Months Ended December 31, 2005	Twelve Months Ended December 31, 2004
Net sales	\$991,031	\$883,263
Cost of sales	472,023	412,129
Gross profit	519,008	471,134
Selling, general and administrative expenses	304,696	267,540
Research and development expenses	66,052	62,485
Purchased intangibles amortization	4,333	3,256
Purchased in-process research and development	3,149	—
Operating income	140,778	137,853
Interest income	3,466	2,073
Interest expense	(6,711)	(9,447)
Income before income taxes	137,533	130,479
Provision for income taxes	57,365	24,923
Net income	\$ 80,168	\$105,556
Diluted income per share	\$ 1.55	\$ 2.10
Diluted weighted average shares outstanding	51,659	50,201

## Condensed Consolidated Balance Sheets

(In thousands)	December 31, 2005	December 31, 2004
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 537,052	\$ 152,144
Marketable securities	113,839	—
Accounts receivable, net	188,130	181,911
Inventories	153,030	143,714
Deferred income taxes	60,750	54,247
Other current assets	14,300	8,840
<u>Total current assets</u>	<u>1,067,101</u>	<u>540,856</u>
Property, plant and equipment, net	371,249	351,004
Deferred income taxes	73,190	85,197
Intangible assets, net	43,421	19,584
Goodwill	82,718	9,433
Other assets	8,986	7,745
<u>Total assets</u>	<u>\$1,646,665</u>	<u>\$1,013,819</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 79,587	\$ 66,970
Income taxes payable	37,544	7,633
Accrued expenses	115,655	85,805
Deferred income taxes	9,813	2,602
<u>Total current liabilities</u>	<u>242,599</u>	<u>163,010</u>
Long-term debt	552,285	147,000
Other liabilities	60,218	64,959
Shareholders' equity	791,563	638,850
<u>Total liabilities and shareholders' equity</u>	<u>\$1,646,665</u>	<u>\$1,013,819</u>