

Mykrolis Distribution FAQ

Questions and answers for Millipore shareholders

On February 27 the distribution of Millipore's 32.5 million shares of Mykrolis Corporation common stock was completed in the form of a stock dividend.

If you're a Millipore shareholder and have questions about this distribution and how it affects you, read on. Please note that you have received or will receive a detailed information statement from the distribution agent, Equiserve, a few days after the "record date" of February 13.

Q. How do I value my Mykrolis and Millipore shares when figuring out my tax basis?

One method would be to use the fair market values of Mykrolis common stock and Millipore common stock as of the close of trading on February 27, 2002, the final day of trading before the distribution. On February 27, 2002, the reported closing price on the NYSE for Mykrolis common stock was \$9.75 per share and the closing price on the NYSE was \$57.02 per share for Millipore common stock.

Step 1. Adjust the \$57.02 Millipore closing price to deduct the value attributable to Mykrolis stock inherent in the market price.

$\$9.75 \times .67681$ (the number of Mykrolis shares each share of Millipore is receiving) = \$6.60

$\$57.02 - \$6.60 = \$50.42$ Millipore value

Step 2. Calculate the relative percentages

$\$6.60/\$57.02 = 11.58\%$ attributable to Mykrolis shares

$\$50.42/\$57.02 = 88.42\%$ attributable to Millipore shares

Step 3. Allocate 11.58% of the basis in your Millipore shares to your Mykrolis shares and the remaining 88.42% of your basis to your Millipore shares.

For example:

If you own 100 shares of Millipore stock with a tax basis of \$40 per share, for a total tax basis of \$4,000, and you received 67 shares of Mykrolis (and cash representing .681 fractional shares) as a result of the distribution, your total tax basis in your Millipore shares would be reduced to \$3,536.80 (88.42% of \$4,000) or \$35.37 per share (\$3,536.80 divided by 100 shares). Your tax basis in your Mykrolis shares (including your .681 fractional share interest)

would be \$463.20 (11.58% of \$4,000), or \$6.84 per share (\$463.20 divided by 67.681 shares).

You should consult your tax advisor regarding the application of this calculation to your particular circumstances.

Q. I am a long term shareholder, how do I calculate my Millipore share's tax basis? The stock has split many times over the years.

A. Download the attached worksheet.



[- tax basis worksheet.pdf](#)

Q. Do I need to include any special notices to the IRS on my 2002 tax return(due in 2003) due to the Mykrolis distribution?

A. Download the attached statement and include it with your 2002 tax return.



[- InfostateIRSMIL.pdf](#)

Q. Where can I get a copy of the information statement on the distribution of stock?

As a stockholder you should have received this information in the mail. You can also see it on the [SEC Edgar Database](#).

Here is a PDF file you can download.  [- 22169acl.pdf](#)

Q: What was the purpose of this stock distribution?

A: The purpose of the distribution was to complete the formal separation of Millipore and Mykrolis, by transferring Millipore's remaining ownership of Mykrolis to Millipore shareholders.

On August 9, 2001, the date of the Mykrolis initial public offering (IPO), just under 20 percent of Mykrolis stock (7 million shares) began trading on the New York Stock Exchange. Millipore remained the majority owner of Mykrolis, retaining a little more than 80 percent of the company (32.5 million shares). The distribution date, February 27, 2002, marks Mykrolis's complete independence from Millipore.

Q. What happened on the distribution date?

A: On the distribution date, February 27, the remaining 32.5 million shares of Mykrolis held by Millipore Corporation were distributed to Millipore shareholders in the form of a stock dividend.

Q: Who is eligible to receive this dividend?

A: All Millipore shareholders at the close of trading on the "record date"(February 13, 2002) are eligible to receive the stock dividend.

Q: How will dividend amounts be determined?

A: The 32.5 million Mykrolis shares that Millipore holds were distributed proportionately to Millipore shareholders. In other words, dividend amounts were based on each individual shareholder's relative ownership of Millipore, as of the record date (February 13).

For example: If there are 47.96 million shares of Millipore stock issued and outstanding on the record date, each shareholder would receive a dividend of .68 shares of Mykrolis for each share of Millipore stock he or she owns. (The .68 figure is determined by dividing the number of Mykrolis shares distributed, 32.5, by the number of Millipore shares outstanding on the record date, 47.96.)

Q: Exactly how many shares of Mykrolis stock will I receive?

A: Using the ratio in the example above (which is expected to be very close to the final ratio), if you own 100 shares of Millipore stock you will receive 68 shares of Mykrolis stock.

(The final ratio will be announced after the record date.)

Q: Did the trading price of either Millipore or Mykrolis affect the number of shares I receive?

A: No, the trading prices of the stocks did not affect the number of shares you receive. The number of shares you receive is strictly a factor of the number of Millipore shares you own and your relative percentage of stock ownership, not the value of either stock.

Q: How will I receive my new shares?

A: If you hold physical stock certificates, the distribution agent, Equiserve, will

mail you an account statement indicating the number of Mykrolis shares you have received as part of this distribution.

If you hold shares through a stockbroker, your brokerage account will be credited with your Mykrolis stock dividend.

Actual stock certificates will not be distributed as part of this transaction, although you can get them from Equiserve or your stockbroker as appropriate.

Q: Will the number of Millipore shares I own change after the distribution?

A: No, the distribution will not affect the number of Millipore shares you own.

Q: Are there any restrictions related to selling my new Mykrolis stock?

A: No, your new Mykrolis shares will be available for trading on the next business day following the distribution (February 28).

Q: What happens to the price of Millipore stock after the distribution date? Will it decrease proportionately?

A: Millipore stock will begin trading the day after the distribution date (February 28) with a lower value that reflects the exclusion of Mykrolis. However, the numerous dynamics that affect how a stock is priced on the market does not guarantee a precise proportionate revaluation.

Q: Will my stock dividend be considered taxable income?

A: The U.S. Internal Revenue Service has ruled that the distribution of Mykrolis stock to Millipore shareholders will be tax-free. Therefore, in general, the *receipt* of your stock dividend will not be taxable for U.S. federal income tax purposes. (Fractional shares will be distributed in cash and these small amounts will be taxable after the proper basis allocation is made and your overall gain or loss determined.)

However, if and when you choose to sell the Mykrolis shares you received via this stock distribution, a taxable gain or loss will likely be realized. The statement you will receive after the record date will provide additional information about taxes including information on how to allocate a portion of the tax basis you have in your Millipore shares to the Mykrolis shares. (US tax rules require that this basis allocation be made referencing the relative fair market value the Mykrolis shares have to the Millipore shares on the date of

distribution.)

Q: How was Millipore listed prior to and after the distribution?

A: Between February 13 and the distribution date (February 27), there were two markets for Millipore stock – the “regular way” and the “ex-dividend” way.

The regular way market continued to trade Millipore stock under the company’s current ticker symbol, MIL. These market shares will include an entitlement to receive the Mykrolis stock dividend. The ex-dividend market traded Millipore stock under a new ticker symbol [MIL-W] without the entitlement to receive the Mykrolis stock dividend.

The price of the regular-way (MIL) shares was higher than the price of the ex-dividend shares, because they include the Mykrolis dividend.

The ex-dividend market ended at the close of trading on February 27, the day of the distribution, and Millipore resumed trading under one ticker symbol – MIL.

Q: If I purchased Millipore shares between now and February 27, how do I receive the Mykrolis dividend?

A: If you purchased shares of Millipore common stock in this timeframe, under the ticker symbol MIL, you will receive your Mykrolis shares after the distribution date (February 27).

Conversely, if you sell shares of Millipore common stock in this timeframe under the ticker symbol MIL, you will be selling your entitlement to receive Mykrolis shares.

TAX BASIS WORKSHEET

TO BE USED IN CALCULATING YOUR TAX BASIS IN YOUR SHARES OF MYKROLIS STOCK DISTRIBUTED ON FEBRUARY 27, 2002

This worksheet is provided to assist you in calculating your tax basis in your shares of Millipore stock to which the distribution of Mykrolis stock applies. You need to complete these calculations in order to allocate this tax basis between your Millipore shares and the Mykrolis shares distributed to you on February 27, 2002. In order to complete this worksheet properly, you must first determine (1) the date on which you acquired your Millipore shares, and (2) the cost of your shares on that date. **If you acquired your Millipore shares on more than one occasion, you will need to fill out this worksheet separately for each such acquisition.**

Millipore shares acquired before 1/1/1963

Original cost per share of Millipore stock _____ (A)
Divide (A) by 768 to determine your tax basis _____ (B)

Millipore shares acquired on or after 1/1/1963 and before 1/1/1964

Original cost per share of Millipore stock _____ (A)
Divide (A) by 384 to determine your tax basis _____ (B)

Millipore shares acquired on or after 1/1/1964 and before 1/1/1965

Original cost per share of Millipore stock _____ (A)
Divide (A) by 192 to determine your tax basis _____ (B)

Millipore shares acquired on or after 1/1/1965 and before 1/1/1966

Original cost per share of Millipore stock _____ (A)
Divide (A) by 96 to determine your tax basis _____ (B)

Millipore shares acquired before on or after 1/1/1966 and 10/21/1966

Original cost per share of Millipore stock _____ (A)
Divide (A) by 48 to determine your tax basis _____ (B)

Millipore shares acquired on or after 10/21/1966 and before 4/28/1972

Original cost per share of Millipore stock _____ (A)
Divide (A) by 16 to determine your tax basis _____ (B)

Millipore shares acquired on or after 4/28/1972 and before 4/23/1976

Original cost per share of Millipore stock _____ (A)
Divide (A) by 8 to determine your tax basis _____ (B)

Millipore shares acquired on or after 4/23/1976 and before 3/11/1986

Original cost per share of Millipore stock _____ (A)
Divide (A) by 4 to determine your tax basis _____ (B)

Millipore shares acquired on or after 3/11/1986 and before 7/22/1995

Original cost per share of Millipore stock _____ (A)
Divide (A) by 2 to determine your tax basis _____ (B)

Millipore shares acquired on or after 7/22/1995

If you acquired Millipore shares on or after July 22, 1995, your tax basis in each of your shares is equal to your original cost of those shares.

THIS WORKSHEET IS PROVIDED TO SHAREHOLDERS OF MILLIPORE CORPORATION AS A GUIDE TO ASSIST THEM IN CALCULATING THEIR BASIS IN MILLIPORE CORPORATION SHARES. SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISOR FOR DEFINITIVE ADVICE.