

THERMO FISHER SCIENTIFIC INC.
Form 10-Q
May 06, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarter Ended April 2, 2011

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-8002

THERMO FISHER SCIENTIFIC INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State of incorporation or organization)

04-2209186
(I.R.S. Employer Identification No.)

81 Wyman Street
Waltham, Massachusetts
(Address of principal executive offices)

02451
(Zip Code)

Registrant's telephone number, including area code: (781) 622-1000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Class	Outstanding at April 2, 2011
Common Stock, \$1.00 par value	383,259,036

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

THERMO FISHER SCIENTIFIC INC.

Consolidated Balance Sheet
(Unaudited)

(In millions)	April 2, 2011	December 31, 2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,788.7	\$ 917.1
Short-term investments, at quoted market value (cost of \$5.8 and \$9.6)	5.2	8.9
Accounts receivable, less allowances of \$41.2 and \$39.2	1,565.5	1,473.8
Inventories:		
Raw materials	297.3	281.6
Work in process	136.8	108.4
Finished goods	829.9	782.9
Deferred tax assets	183.8	181.3
Other current assets	382.1	381.0
	6,189.3	4,135.0
Property, Plant and Equipment, at Cost		
Property, Plant and Equipment, at Cost	2,283.4	2,199.2
Less: Accumulated depreciation and amortization	(894.4)	(839.0)
	1,389.0	1,360.2
Acquisition-related Intangible Assets, net of Accumulated Amortization of \$2,705.8 and \$2,539.1		
Acquisition-related Intangible Assets, net of Accumulated Amortization of \$2,705.8 and \$2,539.1	5,857.0	5,913.7
Other Assets		
Other Assets	957.3	944.8
Goodwill		
Goodwill	9,038.0	8,995.7
	\$ 23,430.6	\$ 21,349.4

THERMO FISHER SCIENTIFIC INC.

Consolidated Balance Sheet (continued)
(Unaudited)

(In millions except share amounts)	April 2, 2011	December 31, 2010
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term obligations and current maturities of long-term obligations	\$ 2,499.4	\$ 105.8
Accounts payable	616.9	546.7
Accrued payroll and employee benefits	251.2	304.5
Accrued income taxes	32.4	59.2
Deferred revenue	193.2	158.2
Other accrued expenses	552.9	535.4
	4,146.0	1,709.8
Deferred Income Taxes	1,606.0	1,626.1
Other Long-term Liabilities	623.1	621.2
Long-term Obligations	1,800.8	2,031.3
Shareholders' Equity:		
Preferred stock, \$100 par value, 50,000 shares authorized; none issued		
Common stock, \$1 par value, 1,200,000,000 shares authorized; 403,444,913 and 401,779,152 shares issued	403.4	401.8
Capital in excess of par value	10,085.4	10,019.7
Retained earnings	5,638.6	5,386.4
Treasury stock at cost, 20,185,877 and 10,409,268 shares	(1,036.7)	(490.5)
Accumulated other comprehensive items	164.0	43.6
	15,254.7	15,361.0
	\$ 23,430.6	\$ 21,349.4

The accompanying notes are an integral part of these consolidated financial statements.

THERMO FISHER SCIENTIFIC INC.

Consolidated Statement of Income

(Unaudited)

(In millions except per share amounts)	Three Months Ended	
	April 2, 2011	April 3, 2010
Revenues		
Product revenues	\$ 2,336.1	\$ 2,282.4
Service revenues	385.3	344.5
	2,721.4	2,626.9
Costs and Operating Expenses:		
Cost of product revenues	1,354.8	1,350.1
Cost of service revenues	246.3	210.4
Selling, general and administrative expenses	708.7	698.3
Research and development expenses	74.8	66.1
Restructuring and other costs, net	15.3	17.4
	2,399.9	2,342.3
Operating Income	321.5	284.6
Other Expense, Net	(22.5)	(24.9)
Income from Continuing Operations Before Provision for Income Taxes	299.0	259.7
Provision for Income Taxes	(51.8)	(35.1)
Income from Continuing Operations	247.2	224.6
Income from Discontinued Operations (net of income tax provision of \$3.6 and \$3.2)	5.5	5.2
(Loss) Gain on Disposal of Discontinued Operations, Net (net of income tax benefit of \$0.3 in 2011; net of income tax provision of \$1.5 in 2010)	(0.5)	2.5
Net Income	\$ 252.2	\$ 232.3
Earnings per Share from Continuing Operations		
Basic	\$.64	\$.55
Diluted	\$.63	\$.54
Earnings per Share		
Basic		