

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

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RONALD KASSOVER, on Behalf of Himself and all)
Others Similarly Situated,) **CASE NO.**)
))
Plaintiff,))
))
vs.) **CLASS ACTION COMPLAINT**)
) **FOR VIOLATIONS OF**)
) **FEDERAL SECURITIES LAWS**)
PERKINELMER, INC., GREGORY L. SUMME and)
ROBERT F. FRIEL,))
) **JURY TRIAL DEMANDED**)
Defendants.))
_____)

Plaintiff has alleged the following based upon the investigation of plaintiff's counsel, which included a review of United States Securities and Exchange Commission ("SEC") filings by PerkinElmer, Inc. ("PerkinElmer" or the "Company"), as well as regulatory filings and reports, securities analysts reports and advisories about the Company, press releases and other public statements issued by the Company, and media reports about the Company, and plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal class action on behalf of purchasers of the securities of PerkinElmer between July 15, 2001 to April 11, 2002, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

JURISDICTION AND VENUE

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78t(a)] and Rule 10b-5 promulgated thereunder by the SEC [17 C.F.R. § 240.10b-5].

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1337 and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

4. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

5. Venue is proper in this District pursuant to Section 27 of the Exchange Act, and 28 U.S.C. § 1391(b). Many of the acts charged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this District. Additionally, defendants maintain their chief executive offices and principal place of business within this District.

PARTIES

6. Plaintiff Ronald Kassoover, as set forth in the accompanying certification, incorporated by reference herein, purchased the common stock of PerkinElmer during the Class Period and has been damaged thereby.

7. Defendant PerkinElmer Inc. is organized under the laws of Massachusetts and maintains its principal executive offices at 45 William Street, Wellesley, Massachusetts 02481. PerkinElmer is a diversified technology company, operating in three segments: Life Sciences, Analytical Instruments and Optoelectronics.

8. Defendant Gregory L. Summe ("Summe") was PerkinElmer's Chief Executive Officer, President and Chairman of the Board throughout the Class Period.

9. Defendant Robert F. Friel ("Friel") was PerkinElmer's Chief Financial Officer and Senior Vice President throughout the Class Period.

10. Defendants Summe and Friel are referred to collectively herein as the "Individual Defendants".

11. During the Class Period, each of the Individual Defendants, as senior executive officers and directors of PerkinElmer was privy to confidential and proprietary information

concerning PerkinElmer, its operations, finances, financial condition, present and future business prospects. The Individual Defendants also had access to material adverse non-public information concerning PerkinElmer, as discussed in detail below. Because of their positions with PerkinElmer, the Individual Defendants had access to non-public information about its business, finances, products, markets and present and future business prospects via access to internal corporate documents, conversations and connections with other corporate officers and employees, attendance at management and Board of Directors meetings and committees thereof and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded the fact that adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

12. Each of the defendants is liable as a direct participant in, and a co-conspirator with respect to the wrongs complained of herein. In addition, the Individual Defendants, by reason of their status as senior executive officers and directors were each a "controlling person" within the meaning of Section 20 of the Exchange Act and had the power and influence to cause the Company to engage in the unlawful conduct complained of herein. Because of their position of control, the Individual Defendants were able to and did, directly or indirectly, control the conduct of PerkinElmer's business.

13. The Individual Defendants, because of their positions with the Company, controlled and/or possessed the authority to control the contents of its reports, press releases and presentations to securities analysts and through them, to the investing public. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading, prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Thus, the Individual Defendants had the opportunity to commit the fraudulent acts alleged herein.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

14. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased the securities of PerkinElmer between July 15, 2001 to April 11, 2002, inclusive (the "Class Period") and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

15. The members of the Class are so numerous that joinder of all members is impracticable. As of March 25, 2002, PerkinElmer had approximately 125 million shares of common stock outstanding, which were actively traded on the New York Stock Exchange (the "NYSE"). While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by PerkinElmer or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

16. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

17. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

18. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) whether the federal securities laws were violated by defendants' acts as alleged herein;
- (b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business and operations of PerkinElmer; and
- (c) to what extent the members of the Class have sustained damages and the proper measure of damages.

19. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

SUBSTANTIVE ALLEGATIONS

Background Facts

20. PerkinElmer has recently changed its lines of business substantially in order to reorient its business into the healthcare market segment. The Company's predecessor, EG&G Inc., developed and sold mechanical components, including valves and bellows to industry and the United States government, including the Department of Defense. Since 1998, PerkinElmer has divested approximately 70% of EG&G's former operations and, through approximately 30 acquisitions in the past two years, reconfigured the Company into three distinct business divisions: Life Sciences, Analytical Instruments and Optoelectronics. In 1999, the Company acquired the analytical instruments unit of PE Corp. and took the name Perkin-Elmer from PE Corp., which is now called Applera Corporation-Applied Biosystems.

21. The Company's three business divisions engage in the following business:

(a) Life Sciences: The Life Sciences division operates in the life sciences and healthcare markets. Approximately 80% of the division's sales are systems and solutions for drug discovery and academic research with the remaining 20% of revenues generated from sales of genetic disease screening products. The Company's push to become a high technology company with a concentration in healthcare-related products was accomplished, in large part, through acquisitions which were integrated into the Life Sciences division, including its acquisition of New England Nuclear and Packard Biosciences Company ("Packard") both of which occurred in July 2001. The Life Sciences segment accounted for approximately 35% of the Company's 2001 revenues.

(b) Analytical Instruments: The Analytical Instruments division sells instruments used for industrial detection and measurement, environmental testing and pharmaceutical quality control and assurance. The division, which was formed, in large part, from PerkinElmer's May 1999 purchase of PE Corp.'s analytical instruments unit, accounted for approximately 37% of the Company's 2001 revenues.

(c) Optoelectronics: The Optoelectronics division sells specialty lighting and sensor systems for industrial applications, medical systems and telecommunications equipment. The division accounted for approximately 27% of the Company's 2001 revenues.

22. In addition to the three divisions described above, PerkinElmer had another operating segment, Fluid Sciences, until it sold that division in August 2001. Fluid Sciences primarily sold fluid containment technologies to the aerospace, semiconductor, medical implant and power generation industry.

23. During the Class Period, defendants issued numerous statements concerning PerkinElmer, its business and financial results. These positive representations were materially false and misleading because, unbeknownst to investors, defendants failed to disclose and misrepresented the following material adverse facts:

(a) that the Optoelectronics division was experiencing a severe decline in its business such that it was not generating revenues in line with defendants' expectations. In addition, PerkinElmer was failing to writedown tens of millions of dollars of inventory held by that division, thereby misrepresenting and overstating the Company's operating results;

(b) that the Company was incurring rising expenses associated with its numerous divestitures and acquisitions and would have to take a material charge to earnings to recognize these expenses;

(c) that the Life Sciences and Analytical Instruments divisions were experiencing declining demand for their respective products and services; and

(d) that as a result of the foregoing, defendants lacked a reasonable basis for their statements concerning the Company's prospects, earnings and value.

24. Defendants were motivated to conceal and delay disclosure of the adverse facts detailed herein in order to maintain and inflate the price of PerkinElmer common stock so that the Company could use its common stock as currency for a major corporate acquisition. In July 2001, PerkinElmer acquired Packard, touted by management as a strategic acquisition for the Company, for \$650 million in PerkinElmer shares. Furthermore, the acquisition required a majority of the vote of Packard shareholders, who would become PerkinElmer shareholders, giving defendants a strong incentive to conceal the Company's problems until the strategically important merger was consummated. In addition, the Individual Defendants were further motivated to commit the fraud alleged herein so that they could sell their PerkinElmer common stock at artificially inflated prices. Indeed, the Individual Defendants, and other PerkinElmer insiders, sold a total of 595,000 shares of PerkinElmer common stock during the Class Period, reaping gross proceeds of \$18,440,732. Of this amount, defendant Summe sold a total of 300,000 shares for gross proceeds of \$9,012,000 and defendant Friel sold 150,000 shares for gross proceeds of \$4,965,000.

25. On March 1, 2002, PerkinElmer shocked the market by revealing that its first quarter, and entire year 2002 earnings would be materially less than what the Company had represented its earnings would be as recently as three weeks earlier. The Company reported that it had restructured its Optoelectronics unit "as a single business organized by function, bringing added clarity, accountability and simplicity to the unit." In addition, the Company announced that cash EPS for the full year 2002 would be \$1.05 to \$1.10 and that earnings for the first quarter of 2002 would be \$0.16 to \$0.17 per share.

26. In reaction to the announcement, the price of PerkinElmer common stock plunged by 31%, falling from a \$23 per share close on February 28 to a close of \$15.75 per share on March 1, on trading of over 16 million shares -- more than 18 times the Company's average daily trading volume for the preceding three months. Defendants' announcement, however, continued to conceal the true state of affairs at the Company.

27. On April 11, 2002, PerkinElmer released its outlook for first quarter 2002 and shocked the market again by revealing that its reported earnings will be breakeven for the quarter and that its revenues will decline. The Company attributed the disappointing results to weakness in all three of its business divisions and integration expenses for the Packard acquisition. In response to this announcement the price of PerkinElmer common stock dropped 28%, falling from \$16.70 per share on April 10, 2002, to \$12.01 by the close of April 11, on extremely heavy trading volume.

28. PerkinElmer's final first quarter of 2002 results were released on April 25, 2002. PerkinElmer reported earnings per share of \$0.01 for first quarter of 2002, excluding charges -- 93% less than the earnings figure of \$0.16 to \$0.17 per share that the Company stated, in its March 1, 2002 earnings release, that it expects to earn. The Company also revealed that it had recorded a

\$23.5 million quarterly charge for obsolete Optoelectronics inventory and, in addition, a \$10.7 million restructuring charge. Including the charges, PerkinElmer reported a *loss* of \$0.26 for the first quarter of 2002.

**Materially False And Misleading
Statements Made During The Class Period**

29. The Class Period begins on July 15, 2001. On that date, PerkinElmer announced that it had entered into a definitive agreement to acquire Packard, a Connecticut-based company selling drug discovery tools to a global market. The acquisition was important to the Company's strategy of repositioning itself to operate primarily in healthcare industry. Commenting on the strategic importance and benefits of the acquisition, defendant Summe stated that Packard's business would complement PerkinElmer's Life Sciences division and would allow the Company to offer more to its drug delivery customers, stating in pertinent part, as follows:

'Packard BioScience represents an excellent strategic fit as a leading supplier of automated liquid handling, sample preparation tools and advanced biochip technologies,' said Gregory L. Summe, Chairman and CEO of PerkinElmer. 'Liquids handling is a critical, enabling step in both proteomics and genomics workflow, and increases the productivity of our customers' drug discovery processes. Packard BioScience's core capabilities in this area, its complementary range of products, its impressive new product development pipeline, and its well-respected team of field sales and service experts will enable us to provide more powerful solutions to our expanding base of life sciences customers.'

Packard BioSciences, headquartered in Meriden, Connecticut, has approximately 1,000 employees and sales in 60 countries supported through its offices in North America, Europe and Asia. The company, which expects revenues of approximately \$200 million in 2001, has strategic alliances with a number of the world's leading bioscience and chip technology companies, including Motorola, Oxford GlycoSciences and Waters Corporation.

Including the assumption of debt, the purchase price announced in the release was \$650 million. The acquisition was structured as an all-stock merger "with an exchange ratio of 0.311 share of PerkinElmer common stock for each share of Packard BioScience common stock."

30. Also on July 15, 2001, the Company announced, in a separate press release, "record" financial results for the second quarter of 2001, the period ending June 30, 2001. According to the release, net income from continuing operations was \$39 million for the quarter, a 34% improvement over the second quarter of 2000. Defendant Summe explained that the results demonstrated the Company's ability to deliver in the tough economic environment of the quarter, stating in pertinent part as follows:

'Aggressive actions starting earlier in the year are allowing us to deliver our financial commitments in spite of this difficult economic environment,' said Gregory L. Summe, Chairman and Chief Executive Officer.

Revenue for the quarter grew 6% to \$391 million on a reported basis. Strong growth in Life Sciences, Digital Imaging, Aerospace and Analytical Instruments offset sharp declines in sales to Semiconductor and Photography markets. The Company announced its intention to sell its Security and Detection Systems business and consequently moved that business to discontinued operations in the quarter.

'In the second quarter, we launched a record number of new products and announced several acquisitions and alliances which further improve the growth and value of our portfolio,' noted Summe.

In addition, defendant Summe represented that the Company's success during the quarter evidences that the Company is ready to acquire Packard, heralding the Company's

"transformation" stating in pertinent part as follows:

'Our excellent financial results this quarter are a testament to our management and organization development processes and gives us confidence as we enter the next phase of the Company's transformation with our acquisition of Packard BioScience,' said Summe.

Finally, the press release noted that the Company would further discuss its second quarter financial results on a conference call on July 16, 2001.

31. Following the earnings release and subsequent conference call, analysts issued research reports regarding PerkinElmer's results and repeated statements made by PerkinElmer representatives at the conference to the market. The reports commented favorably on the Company's second quarter results, the Company's seeming ability to control costs during a downturn in the economy and on the Packard acquisition. For example, on July 16, 2001, Merrill Lynch Capital Markets analyst P.K. Young issued a report on PerkinElmer stating, in part, that PerkinElmer's cash EPS of \$0.38 beat the consensus estimates by \$0.02, even in the face of slightly disappointing revenues "due to the pressures of the slower economy." The report noted that despite the economic downturn, "PerkinElmer did a very good job of lowering costs as they boosted operating margins 300 bps to 16.1%." Regarding PerkinElmer's announced acquisition of Packard, the report stated the following:

PerkinElmer announced its intention to acquire Packard Bioscience, which is a leader in drug discovery tools with a strong position in automated liquid handling[. . .] This transaction could close in 4Q01 and is expected to be dilutive to 2002 EPS and accretive to 2003 results. We think that Packard Bioscience would be a good addition to the Life Sciences segment, which is expected to have sales of over \$300M in 2001. We view the announced purchase of Packard Bioscience and the likely divestiture of the security and detection unit favorably as PerkinElmer continues to upgrade the portfolio to higher growth platforms.

The report concluded that "In our view, the shares offer good upside potential and believe they are undervalued relative to its healthy prospects." At the time of the report, PerkinElmer's common stock was trading at \$27.50 per share.

32. The Company's press release and positive analyst coverage had the effect intended by the Company, as the stock price of PerkinElmer common shares climbed steadily thereafter. By July 27, 2001, the stock had climbed as high as \$34.48 per share, up 23% from the close on July 16, 2001, of \$27.93 per share.

33. The statements referenced in ¶¶ 30-31, above, were each materially false and misleading because they failed to disclose and misrepresented the following material adverse facts, among others:

(a) that the Optoelectronics division was experiencing a severe decline in its business such that it was not generating revenues in line with defendants' expectations. In addition, PerkinElmer was failing to writedown tens of millions of dollars of inventory held by that division, thereby misrepresenting and overstating the Company's operating results;

(b) that the Company was incurring rising expenses associated with its numerous divestitures and acquisitions and would have to take a material charge to earnings to recognize these expenses;

(c) that the Life Sciences and Analytical Instruments divisions were experiencing declining demand for their respective products and services; and

(d) that as a result of the foregoing, defendants' lacked a reasonable basis for their statements concerning the Company's prospects, earnings and value.

34. On August 28, 2001, PerkinElmer announced that it would sell its Fluid Sciences division. According to the press release, the divestiture, along with the pending acquisition of Packard, would place the Company more squarely on track towards its goal of focusing on higher growth businesses. In that regard, the press release stated the following in pertinent part:

'Over the past three years, PerkinElmer has successfully shifted its portfolio into higher growth businesses and built an organization with a track record of consistent financial performance,' said Gregory L. Summe, Chairman and CEO of

PerkinElmer. 'The intended divestiture of our Fluid Sciences business unit will mark the culmination of the second phase of our portfolio evolution. The first phase represented the transformation of the Company from a government services supplier to a commercially driven enterprise. In the second phase, we have narrowed our focus to three high-growth technology areas-Life Sciences, Optoelectronics and Analytical Instruments. This, combined with our anticipated acquisitions of Packard BioScience Company, will leave us with a strong balance sheet and exceptionally well positioned to continue to grow our core businesses.'

Summe continued, 'While Fluid Sciences is a high performing business with a seasoned management team, strong brands and an excellent customer base, it does not fit with our long-term business strategy.'

35. In September 2001, the shareholders of PerkinElmer and the shareholders of Packard Bioscience voted to approve the sale of Packard Bioscience to PerkinElmer.

36. On October 17, 2001, PerkinElmer issued a press release announcing its results for the third quarter of 2001, the period ending September 30, 2001. According to the press release, net income was up 16% from the third quarter of 2001, while EPS from continuing operations increased 27% over the same period. In commenting on the seemingly favorable results, defendant Summe highlighted that the Company's earnings growth was not hindered by a slowdown in the economy and that the Company was executing its strategy well, stating in pertinent part as follows:

'PerkinElmer has again delivered double-digit earnings growth-our 16th consecutive quarter-despite a slow economy,' said Gregory L. Summe, Chairman and Chief Executive Officer. 'The third quarter was also pivotal in the transformation of PerkinElmer. Consistent with the goal of shifting our portfolio to higher growth, we announced over \$1 billion of acquisitions and divestitures. We are now well positioned for growth in our three core businesses-Life Sciences, Optoelectronics and Instruments.'

During the period, the company announced the strategic review of its Fluid Sciences business and its intention to sell its Detection Systems unit. The financial results for units are now classified as discontinued operations.

According to the release, the Optoelectronics segment was maintaining favorable operating margins even in the face of declining revenues, stating in pertinent as follows:

Optoelectronic sales were \$97 million for the quarter, down 16%. Double-digit growth in Digital Imaging was offset by continued declines in sales to the photography and semiconductor end markets. Operating margins were 19% reflecting aggressive cost actions begun earlier in the year and continued benefits from low-cost manufacturing operations.

Continuing to highlight the Company's resiliency, defendant Summe explained that the Company was well prepared to meet the expected continuing slowdown and counter a bad market with effective cost controls stating in pertinent part as follows:

'Our actions taken in anticipation of changing market conditions have delivered favorable results. We are also well prepared to meet the challenges ahead,' said Summe. 'Demand for our Drug Discovery, Genetic Disease Screening and Digital Imaging solutions remains strong. Aggressive cost controls will continue to support our earnings growth targets and will position us for rapid growth when the market rebounds.'

The release announced that the Company would hold a conference call to further discuss the third quarter results on October 17, 2001.

37. Following the issuance of the press release and subsequent conference call, analysts published research reports on the Company. As the Company had done, the analysts noted that the Company's cost controls were working. For example, on October 17, 2001, Merrill Lynch Capital Markets issued a research note, authored by analyst P.K. Young, which stated in pertinent part the following:

PerkinElmer's 3Q01 sales declined 11% to \$302.1M vs. \$340.1M a year ago due to softness in the semiconductor (down 65%), photography (down 40%) and communications (down 20%) markets, and a tough comparison at Instruments. Organic sales were down 7%.

EBITA were \$46.3M vs. \$44.5M, up 4%, and EBITA margins improved 220 bps to 15.3% due to gains in two out of three segments. Optoelectronics EBITA declined due to lower volume. [. . .]

Pretax income increased 17% to \$38.5M vs. \$32.9M in 2000.

38. The statements referred to in ¶¶ 34, 36-37 above, were each materially false and misleading for the reasons set forth in ¶ 33.

39. The Packard acquisition was completed on November 13, 2001. In a press release issued that day, the Company reiterated the benefits of the acquisition, stating that "The acquisition extends PerkinElmer's capabilities in automated liquid handling and sample preparation, and strengthens the company's position as a global provider of comprehensive drug discovery solutions."

40. On December 5, 2001, defendant Summe was interviewed by a reporter from Bloomberg L.P., which published a transcript of the interview. After discussing the upcoming sale of its Detection Unit, a part of the Analytical Instruments business, the conversation turned to the effect that the Packard acquisition would have on its earnings in 2002. Deflecting concerns that the acquisition would materially and negatively impact 2002 earnings, Summe stated that the Company would nevertheless increase its 2002 earnings by 15% over 2002 and that the Company would offset the acquisition-related costs through improvements in productivity. The following is an excerpt from the interview:

Campion: OK . Let me ask you about the acquisition of Packard BioScience. You say it won't be accretive until 2003. In the meantime, what will it detract from your earnings next year?

Summe: Well, our earnings are going to be well, we're projecting them to be \$1.25. We had our investor conference today. We'll finish up this year around \$1.10 or \$1.09. So it's about-it's 15 percent earnings growth. Next year, even with the dilution of the acquisitions that we've made and with the dilution of some of the divestitures.

Campion: I'm sure you thought about how much, though, this acquisition takes off the earnings.

Summe: Yes. It's [SIC] takes off about 10 cents. You know, so we call it 9 percent of the earning for next year. And, of course, we're offsetting that through driving productivity and quality improvements throughout the business, and that's really been our strategy. We're changing the portfolio as we've been aggressive at selling businesses that don't fit with where we've been and we've also been aggressive at acquiring higher growth business.[SIC]. Both of these tend to be dilutive, either because it's higher growth in your average, therefore it's dilutive. Or it's lower growth in your average, and when you sell it, it's dilutive. And we've offset the dilution through improving our cost productivity, and that's what allows us to still deliver to the investors a reasonable rate of return while improving the portfolio.

The interview ended with Summe's representation that "we have a strong balance sheet.

We intend to keep to that. And we have a strong consistent record of earnings, and we intend to keep that."

41. The statements referred to in ¶40 above, were each materially false and misleading for the reasons set forth in ¶ 33. In addition, the statements referred to in ¶40 were each materially false and misleading when made as they misrepresented and/or omitted the following adverse facts which then existed and disclosure of which was necessary to make the statements made not false and/or misleading, including that:

(a) Given the true state of PerkinElmer's business, defendant Summe's statement that the Company expects to earn \$1.25 per share in 2002 was lacking in any reasonable basis; and

(b) the Company did not have a "strong balance sheet" as it was carrying millions of dollars of obsolete inventory on its financial statements and had not written it off, thereby overstating the Company's operating results.

42. On December 5, 2001, defendant Summe sold a total of 300,000 shares of PerkinElmer common stock for \$30.04 per share, reaping gross proceeds of \$9,012,000. The

following day, December 6, 2002, defendant Friel sold 150,000 common shares at \$33.10 per share, for gross proceeds of \$4,965,000, followed by Terrance Carlson's (PerkinElmer's General Counsel) December 7, 2001, sale of 26,000 shares at prices between \$32.8 to \$33 per share, grossing \$855,940.

43. On January 24, 2002, PerkinElmer issued a press release announcing its results for the fourth quarter and year 2001, the period ending December 31, 2001. PerkinElmer reported an 18% increase in cash earnings, which rose to \$1.09 per share compared to \$0.92 for the year 2000. For the fourth quarter, revenue was down 4% at 361 million, while margins reportedly rose 30 basis points to 14.8%. As he had done in previous quarters, defendant Summe highlighted the supposed effectiveness of PerkinElmer's management in dealing with a downturn in the economy and represented that the Company's transformation was on track, stating in pertinent part as follows:

'Our ability to deliver strong, consistent earnings growth, particularly in this difficult economic environment, is a testament to the effectiveness of our management and operational processes,' said Gregory L. Summe, chairman and CEO of PerkinsElmer. 'In addition, the company continued to make excellent progress on its strategy of moving the business mix toward higher growth.

Commenting on the fourth quarter, Summe said, 'The magnitude of change in our portfolio during this period was unprecedented. In November, we completed the acquisition of Packard BioScience, adding highly complementary strengths in automated liquid handling and sample preparation, as well as biochip technologies. The company also announced the sale of three non-strategic businesses for approximately \$185 million in cash proceeds, which will fuel our future growth.

According to the press release, the Life Sciences segment enjoyed a 13% increase in organic sales in the fourth quarter (or a 57% increase with Packard's contribution). Analytical Instruments purportedly benefitted from "productivity improvements and facilities rationalization", including a

transfer of a key manufacturing facility to Singapore, resulting in reported operating profit of 16%. Optoelectronics suffered organic revenue declines and a decline in operating margins, as compared with the fourth quarter of 2000. The theme of strong earnings in an unfavorable environment was repeated, however, as defendant Summe represented that the Company was "ideally positioned" to grow its business in 2002, stating in pertinent part as follows:

'These results cap a strong year for the company. Through an unwavering commitment to operational excellence, we were able to expand operating margins and grow profitably in the face of top-line challenges,' added Summe. 'At the same time, we made significant progress in upgrading our portfolio to a higher growth mix. We enter 2002 ideally positioned to accelerate the growth of our three core businesses-Life Sciences, Optoelectronics and Analytical Instruments-with a healthy balance sheet, a strong portfolio and an energized organization.'

The Company also announced that it would be holding a conference call on January 24, 2002.

44. Four days after the issuance of the press release, on January 28, 2002, John Engel, Executive Vice President of PerkinElmer and President of the Life Sciences division, sold 65,000 shares at \$30.56 per share, for gross proceeds of \$1,986,400.

The Truth Emerges

45. Then, on March 1, 2002, PerkinElmer shocked the market by announcing that it will reorganized the Optoelectronic segment "as a single business organized by function, bringing added clarity, accountability and simplicity to the unit." According to the release, the reorganization was undertaken to "reduce costs and better position the business for growth in key markets." The Company also warned that the reorganization will result in a charge, of an undisclosed amount, to first quarter of 2002 earnings. According to defendant Summe, the Optoelectronic unit was reorganized to de-emphasize its telecommunications, semiconductor and photography operations:

'We see long-term growth potential for Optoelectronics' products and services in the biomedical and broadband communications segments,' said Gregory L. Summe, chairman and chief executive officer of PerkinElmer. 'However, we have taken aggressive actions in light of the effects of the recession on several of our served markets, notably telecommunications, semiconductors and photography. These actions will allow us to manage lower volumes in these soft markets in the short term, while positioning us for market recovery.'

The Company's cost-problems extended well-beyond the Optoelectronics division, as PerkinElmer would take another charge relating to company-wide operations and would terminate 500 employees company-wide. In this regard, the press release stated in pertinent part as follows:

Due to the significantly reduced volume in Optoelectronics, coupled with lower than anticipated growth in Life Sciences and Analytical Instruments end markets, the Company announced plans to take an additional restructuring charge of approximately \$10-\$15 million to further enhance its cost position and will reduce its workforce by approximately 500 employees from across the corporation.

Excluding the charges, PerkinElmer anticipated cash EPS of \$0.16-\$0.17 for the first quarter of 2002 and \$1.05 to \$1.10 per share for the year 2002. That figure was significantly less than the \$1.25 defendant Summe stated the Company would earn in 2002, during the December 5 Bloomberg L.P. interview -- after which he and defendant Friel sold hundreds of thousands of their personally-held PerkinElmer common stock at above \$30 per share.

46. In response to the surprising announcement, the price of PerkinElmer common stock plummeted by 31%, falling from a February 28, 2002 close of \$23 per share to close at \$15.75 on March 1, on trading volume of 16,194,000 shares -- 18 times its average daily trading volume of 888,667. The March 1, 2002 earnings release, however, continued to conceal the true extent of the problems at PerkinElmer.

47. On April 11, 2002, PerkinElmer issued a press release reporting the Company's outlook for the first quarter of 2002, ended March 31, 2002. Revenues for the quarter would be between \$300-\$305 million and earnings per share would be breakeven instead of \$0.16-\$0.17 per

share, as the Company had stated, on March 1, 2002, it expects to earn. The dramatic shortfall in earnings and revenue was attributed to weakness in all of PerkinElmer's divisions:

The company attributed the shortfall primarily to weakness in its Optoelectronics end markets, the deferral of capital spending by Analytical Instruments and Life Sciences customers, and sales force integration activities related to the merger with Packard BioSciences. The company projects cash EPS for the first quarter of 2002 of approximately breakeven, as a result of an operating loss in the Optoelectronics business. These results exclude any asset write-down or restructuring charges.

In response to this announcement the price of PerkinElmer common stock dropped further, falling from \$16.70 per share on April 10, 2002, to \$12.01 by the close of April 11, a decline of 28%, and representing a drop of 66.8% from the Class Period high of \$36.22, reached on January 4, 2002.

48. On April 25, 2002, PerkinElmer issued a press release announcing its financial results for the first quarter of 2002, the period ending March 30, 2001. The Company took a charge of \$10.7 million, supposedly "for restructuring actions to further improve its cost position." In addition the Company took a charge of \$23.5 million for Optoelectronics inventory. Instead of reporting earnings of \$0.16-\$0.17 per share, as the Company had stated it expected to earn on March 1, 2002, the company's cash earnings -- excluding charges -- was \$0.01 per share. Including the charges, the Company *lost* \$0.26 for the quarter.

ADDITIONAL SCIENTER ALLEGATIONS

49. As alleged herein, defendants acted with scienter in that defendants knew that the public statements or documents issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding PerkinElmer, their control over, and/or

receipt and/or modification of the Company's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning PerkinElmer, participated in the fraudulent scheme alleged herein.

50. The Individual Defendants were motivated to commit the fraud alleged herein so that the Company could complete the Packard acquisition, which was critically important to its long-term plans, using millions of shares of PerkinElmer common stock as currency. In addition, defendants artificially inflated the price of PerkinElmer securities so that insiders, including the Individual Defendants, could sell their personally held PerkinElmer common stock at prices higher than if the truth regarding the Company had been known by the market. During the Class Period PerkinElmer insiders sold a total of 595,000 of their personally held PerkinElmer shares for gross proceeds of \$18,440,732, as follows:

Gregory L. Summe, Chairman and CEO

Date	No. of Shares	Price/Share	Total
Dec. 5, 2001	300,000	\$30.04	\$9,012,000

Robert Friel, Chief Financial Officer

Date	No. of Shares	Price/Share	Total
Dec. 6, 2001	150,000	\$33.1	\$4,965,000

Terrance L. Carlson, General Counsel

Date	No. of Shares	Price/Share	Total
Dec. 7, 2001	15,900	\$33	\$524,700
Dec. 7, 2001	9,100	\$32.8	\$298,480
Dec. 7, 2001	1,000	\$32.76	\$32,760

\$855,940

John Engel, Executive Vice President of PerkinElmer, President of PerkinElmer Life Sciences

Date	No. of Shares	Price/Share	Total
Jan. 28, 2002	65,000	\$30.56	\$1,986,400

Robert A. Barrett, Officer, Vice President

Date	No. of Shares	Price/Share	Total
Sep. 6, 2001	48,000	\$29.94	\$1,437,120
Sep. 6, 2001	5,700	\$30.71	\$175,047
Sep. 6, 2001	300	\$30.75	\$9,225
			\$1,621,392

Undisclosed Adverse Information

51. The market for PerkinElmer's common stock was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, PerkinElmer common stock traded at artificially inflated prices during the Class Period. The artificial inflation continued until the time PerkinElmer revealed the truth regarding the operational problems facing its Optoelectronics unit and the entire Company and the millions in obsolete inventory carried by the Company. Plaintiff and other members of the Class purchased or otherwise acquired PerkinElmer's common stock relying upon the integrity of the market price of the Company's common stock and market information relating to PerkinElmer, and have been damaged thereby.

52. During the Class Period, defendants materially misled the investing public, thereby inflating the price of PerkinElmer common stock, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as detailed herein.

53. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading statements about PerkinElmer's earnings. These material misstatements and omissions created in the market an unrealistically positive assessment of PerkinElmer and its prospects and operations, thus causing the Company's common stock to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in plaintiff and other members of the Class purchasing the Company's common stock at artificially inflated prices, thus leading to their losses when the illusion was revealed, and the market was able to accurately value the Company.

**Applicability Of Presumption Of Reliance:
Fraud-On-The-Market Doctrine**

54. At all relevant times, the market for PerkinElmer's securities was an efficient market for the following reasons, among others:

(a) PerkinElmer's stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, PerkinElmer filed periodic public reports with the SEC and the NYSE;

(c) PerkinElmer regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) PerkinElmer was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

55. As a result of the foregoing, the market for PerkinElmer's securities promptly digested current information regarding PerkinElmer from all publicly available sources and reflected such information in PerkinElmer's stock price. Under these circumstances, all purchasers of PerkinElmer's securities during the Class Period suffered similar injury through their purchase of PerkinElmer's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

56. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein,

defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of PerkinElmer who knew that those statements were false when made.

FIRST CLAIM

Violation Of Section 10(b) Of The Exchange Act And Rule 10b-5 Promulgated Thereunder Against All Defendants

57. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

58. During the Class Period, PerkinElmer and the Individual Defendants, and each of them, carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of PerkinElmer's securities; and (iii) cause Plaintiff and other members of the Class to purchase PerkinElmer's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

59. Defendants (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for PerkinElmer's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

60. PerkinElmer and the Individual Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations and future prospects of PerkinElmer as specified herein.

61. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of PerkinElmer's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about PerkinElmer and its business operations and future prospects in the light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of PerkinElmer's securities during the Class Period.

62. The Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period; (ii) the Individual Defendants were privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; and (iii) the Individual Defendants were aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

63. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such

defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing PerkinElmer's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's business, operations and earnings throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

64. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of PerkinElmer's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of PerkinElmer's publicly-traded securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which the securities trade, and/or on the absence of material adverse information that was known to or recklessly disregarded by defendants but not disclosed in public statements by defendants during the Class Period, Plaintiff and the other members of the Class acquired PerkinElmer securities during the Class Period at artificially high prices and were damaged thereby.

65. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known of the true financial condition and business prospects of PerkinElmer, which were not disclosed by defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their PerkinElmer securities, or, if they

had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

66. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

67. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

Violation Of Section 20(a) Of The Exchange Act Against the Individual Defendants

68. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

69. Each of the Individual Defendants acted as a controlling person of PerkinElmer within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

70. In particular, the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, are presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

71. As set forth above, PerkinElmer and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as a controlling person, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of PerkinElmer's and the Individual Defendants' wrongful conduct, plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

WHEREFORE, plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;
- (b) Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: August 14, 2002

Respectfully submitted,

By: _____
Nancy Freeman Gans, BBO #184540

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