Alfred Bader fonds

Correspondence

Fisher Scientific Int'l Inc. 1992-94

Dr. Alfred Bader
2961 North Shepard Avenue
Milwaukee, Wisconsin 53211

pp 16-18
1-25-94

January 24, 1994

Mr. Paul M. Meister
Senior Vice President
Chief Financial Officer
Fisher Scientific International Inc.
Liberty Lane
Hampton, New Hampshire 03842

Dear Paul:

I still remember with great pleasure our couple of hours at Victoria Station in December.

Since suggesting three men for your consideration, a fourth, whose experience is limited to Spain, has come to my mind. He is Mr. Carlos Calpe, Arzobispo Morcillo 14, 7c, E28029 Madrid, Spain, telephone 341 314 6711, fax 341 310 3733.

Mr. Calpe is a most enthusiastic man who really built up the Sigma-Aldrich business very nicely. Should you interview him, please do discuss in detail the reasons for his leaving Sigma-Aldrich.

Enclosed please find a brief reference to Fisher Scientific from my autobiography. I hope this will appear late this year. If you see any factual errors, please let me know.

All good wishes.

Sincerely,

Enclosure

ALFRED BADER FINE ARTS

DR. ALFRED BADER

ESTABLISHED 1961

December 29, 1993

Mr. Paul M. Meister
Senior Vice President
Chief Financial Officer
Fisher Scientific International Inc.
Liberty Lane
Hampton, New Hampshire 03842

Dear Paul:

I so enjoyed our meeting at Victoria Station and very much hope that we will meet again before long, best here in Milwaukee.

Of course I was most interested in seeing the announcement on December 22nd that Fisher has acquired Janssen Chimica. Actually, the announcement said that you bought Janssen Pharmaceutica, but as J & J stock didn't plunge by 20 or 30 points that day, knowledgeable investors must have realized that your purchased Janssen Chimica and not Janssen Pharmaceutica. I wish you well, but you will need more than just my good wishes to deal with the problems there.

Of course I thought about whom to recommend for your European management positions, and I would like to suggest three.

The first is the team of Steven Woodland and Dr. Alex Ingram. As you know, both now work for Lancaster. Steven Woodland's home telephone number is 44 524 82177.

I knew Steven Woodland well when he worked at Aldrich Gillingham. He left Aldrich for purely personal reasons and was greatly missed. He went to work for Dragoco in Germany for four years and so speaks good German. Dr. Alex Ingram is probably Lancaster's best production chemist, and I know that Tom Cori has tried hard to hire him. He is a likeable Scot, one of whose jobs it was to coordinate the production of Loba with that of Lancaster. The owner of Loba, Dr. Paul Löw-Beer, is one of my oldest friends and he and his associates in Vienna think very highly of Ingram. I presume, although I am not certain, that he speaks at least passable German. I know that Steven Woodland works very well with Ingram, and as a team they combine commercial savvy with production competence.

By Appointment Only
ASTOR HOTEL SUITE 622
924 EAST JUNEAU AVENUE
MILWAUKEE WISCONSIN USA 53202
TEL 414 277-0730 FAX 414 277-0709

The third man is Dr. John Waldsax, who was hired by Sigma-Aldrich some 12 or 14 years ago to become David Harvey's successor in Europe. John's father is a German dentist who went to Australia and then settled in England. He taught his son, John, to speak perfect German. I found John very competent, but for reasons which you will be able to imagine, he didn't get along with Tom Cori and left to become a manager at BDH in Poole. As you know, BDH is part of Merck Darmstadt, and John had a senior management position in Poole.

John's wife is a vicar in a small community close to Poole. John was quite happy travelling all over Europe, but did not want to move permanently from Poole to Darmstadt, and so left BDH a year or two ago. I think you will find his name and telephone number in the Poole directory; his father is Dr. Reinhard Waldsax, 33 Park Road, Watford Heights (telephone 44 923 23536).

I believe that all three men are competent, likeable and of real integrity.

All good wishes.

Sincerely,

Enclosure

Paul M. Meister
Senior Vice President
Chief Financial Officer

Fisher Scientific International Inc.

Liberty Lane
Hampton, NH 03842
603-929-2650

December 21, 1993

Dr. Alfred Bader
Alfred Bader Fine Arts
Astor Hotel
Suite 622
924 East Juneau Avenue
Milwaukee, Wisconsin 53202

Dear Dr. Bader:

Thank you very much for spending a delightful 1-1/2 hours with me last Thursday. Rarely does one get the opportunity to both learn and have fun. I thoroughly enjoyed every minute.

I will be following up with you regarding the painting you mentioned, as well as the venture capital concept I discussed. I will call you when I am next in the Milwaukee area and look forward to your suggestions regarding "the future Dr. Bader(s) of the world."

Thank you again.

Best regards,

Paul

Dr. John Waldpax

Dr Alex Ingram

Steven Woodland

BUSINESS

Laboratory Chemical Firms Wrestle With Changes, Responsible Care

■ ***In the midst of recent acquisitions, lab and research chemical firms face growing obligations, changes in the industry***

Ann M. Thayer
C&EN Northeast News Bureau

A spate of acquisitions during the past six months has shaken the laboratory and research chemical sector. Amid the turmoil of consolidation, lab and research chemical suppliers are working to meet the growing responsibilities placed on the chemical industry by various federal and state regulations and through programs such as the Chemical Manufacturers Association's (CMA) Responsible Care.

The U.S. market for lab and research chemicals is about $750 million to $1 billion per year, according to chemical consultants and industry sources. However, precise estimates for the lab chemical market are difficult to make, because definitions of the type of chemicals to include in this sector often vary. Suppliers also generally do not break out chemical sales from their sales of lab instruments and equipment or from other chemical markets.

The market for small-volume packaged chemicals used by industrial, institutional, and academic research labs is expected to grow perhaps a few percent per year, says Eric Vogelsberg, business manager for chemicals at the consulting firm Kline & Co., Fairfield, N.J. Most of the growth, he adds, is from products for pharmaceutical and biotechnology research, two areas with strong research spending.

Research labs are big market for small-volume chemicals.

In a very competitive business environment, market leaders are trying to expand their product offerings, Vogelsberg explains. Sigma-Aldrich, which had total sales of $739 million and net earnings of $107 million in 1993, is the industry leader, he says, but other companies are trying to "catch up" through acquisitions. Sigma-Aldrich itself was created from acquisitions: Sigma and Aldrich merged in 1975, and the merged company acquired Fluka Chemical in 1989 and Supelco in 1993.

The largest recent moves in industry consolidation have been by Fisher Scientific, based in Pittsburgh, as the company expands internationally through acquisition. In late 1993, Fisher acquired the lab chemical business of Eastman Kodak. Only three months later, in March 1994, it acquired Janssen Chimica, a Belgium-based division of Johnson & Johnson's Janssen Pharmaceutica subsidiary. Janssen Chimica has been renamed Acros Chimica. And in May, Fisher agreed to purchase Willoughby, Ohio-based Figgie International's Safety Supply America division. Fisher's recent rush of acquisitions follows five others made in 1992 and 1993 in the U.S., Germany, and the Netherlands.

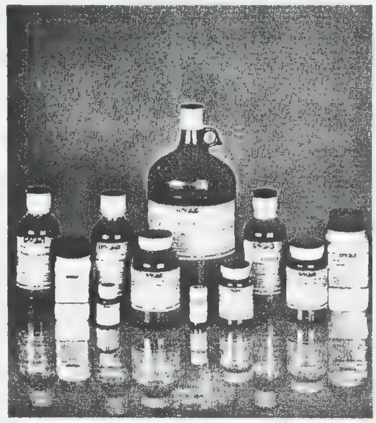
Fisher's acquisitions have given it 130,000 product offerings, says the company, supplied by 1,200 vendors to a customer base of 110,000 research and testing centers worldwide. Total sales for the company reached $978 million in 1993 and resulted in net earnings of $32.6 million. In comparison, Sigma-Aldrich says it markets 71,000 separate chemicals and related products. The 90-year-old J. T. Baker Inc., with annual sales of about $100 million, was recently put up for sale by its parent, Procter & Gamble (C&EN, June 13, page 7).

On top of these changes, lab and research chemical suppliers must also grapple with new responsibilities. The Laboratory & Research Chemical (LARC) panel of CMA was formed three years ago to focus specifically on the interests and needs of lab and research chemical suppliers. With representatives from most of the major chemical suppliers and distributors, this panel has been looking at some of the problems that are unique to companies that supply small quantities of many products to numerous customers, explains Harris I. Lehrer, vice president at Spectrum Chemical and LARC panel chairman.

One thing the panel seeks is recognition from the chemical industry as a whole. JoAnne Hagen, a panel member and manager for compliance legal affairs at Hach Co., a Colorado-based supplier of water analysis kits, says the lab and research chemical market could be as large as $2 billion. "What it amounts to really is that this is a significant segment of the chemical industry," she notes. "And one of the perennial difficulties of this segment is [that] although we have very, very many small packages, we still have

Labeling for small packages presents tough challenges

The Chemical Manufacturers Association (CMA) is playing a key role in revising a 1988 standard for precautionary labeling of hazardous industrial chemicals. The aim of the American National Standards Institute (ANSI) standard ANSI-Z129.1 is to provide consistent guidelines for industry use in determining appropriate hazard warnings. However, prior to this latest revision, the standard did not specifically recognize chemicals in small packages.



Size is the primary labeling issue of concern to marketers of laboratory and research chemicals, explains Darlene Susa-Anderson, manager for toxicology and product regulatory affairs at Fisher Scientific, Pittsburgh. As well as serving on the CMA group revising the ANSI standard, Susa-Anderson is a member of CMA's Laboratory and Research Chemical (LARC) panel. Also participating in developing recommendations for the revisions was a group representing small packagers from the Society for Chemical Hazard Communication (SCHC), Annandale, Va.

"The products that [lab chemical firms] routinely sell are in small containers, and the amount of information that the ANSI labeling standard recommends ... is very large," says Susa-Anderson. Such label information includes spill and leak procedures, fire and explosion hazards, she says, as well as chemical identity and other precautionary information. A label on a bottle must also refer to more "complete labeling," which can consist of package inserts such as product literature, technical brochures, and material safety data sheets.

The efforts of SCHC and the LARC panel led to a single paragraph in the draft revised standard that would allow packagers some latitude in determining what would be included on a label. Prioritizing the information that should be included can be done on a chemical- and/or company-specific basis, she says, "always keeping in mind that we have to abide by the requirements of the Occupational Safety & Health Administration hazard communications standard or other applicable regulations."

an enormous volume overall. [Our products] just aren't in very big packages."

The LARC panel currently is working to assist its members in meeting the tenets of Responsible Care, a condition of membership in CMA. "People who may not be cognizant of the duties of this industry segment tend to think [that] just because the products are small then [dealing with related issues] is either easy or not important or—the worst and most erroneous assumption—not expensive," she adds. The two most troublesome areas, according to the LARC panel, are the distribution and product stewardship codes under Responsible Care.

The distribution code asks suppliers, among other things, to evaluate and manage the risks associated with chemical distribution, to assist in the event of an accident, and to track and improve distribution safety performance. "We have such a large number of products and a large number of freight-forwarding organizations that this [requirement] is very difficult to satisfy in practice," says Lehrer. "Of course, there already are [Department of Transportation] regulations, and [suppliers and distributors] have to follow those."

As many as 20 trucks from different carriers may arrive at a company on a given day, says Lehrer, and take products to various locations by land or air, depending on customer requests. The vast majority of shipments are made through small-package and overnight carriers. The quantity of materials shipped in any one package can range from a few milligrams to a few gallons and, as with test kits, may include a variety of chemicals, each of which has different handling requirements.

The product stewardship code presents similar problems, say LARC panel members, in tracking the use, misuse, fate, or adverse effects of products. The code asks companies to ensure that employees, distributors, and customers are aware of proper training for the handling or use of chemicals. Customers vary in their knowledge base, ranging from sophisticated laboratories to schools to individual consumers. According to Lehrer, the issue is one of resources; with so many products and customers, how do you follow a product from cradle to grave?

A given chemical may go through several employees' hands for formulation, packaging, storage, and shipping, explains Hagen, before going to a carrier and then to the customer. "Hach's distribution area ships about 2,000 packages a day, which involves about 1,200 different orders," she says. "Within the continental U.S., a package can change hands up to 10 different times after it's out of the plant and 24 times if it's shipped internationally. Each exchange is tremendously costly, and each time, the package is vulnerable to damage and loss," Hagen adds.

"Our problems are exponential, because a small package requires the same type of expertise to package, mark, label, and distribute as does a tank car," she stresses, "but the small package is subjected to so many different variables that the tank car is not." The idea is the same when it comes to product stewardship, she adds: instead of shipping 10,000 gal in one tank car, suppliers may ship 10,000 1-gal containers. "It's not that [the tank car] is an easier job, but [for the small-chemical packager] this is a very expensive system if you do it right."

Although the panel has identified the problems, it has not yet come up with solutions to meet its obligations and is continuing its work. Panel members hope that cooperation on distribution issues can be promoted in part through CMA's Partnership Program, under which distribution and transportation companies that are not CMA members can commit to the Responsible Care principles. They also hope that in having reorganized as a panel, which means that non-CMA members can participate, other large and small companies within and outside the chemical industry will participate. □

Dr. Alfred Bader
2961 North Shepard Avenue
Milwaukee, Wisconsin 53211

March 18, 1994

Mr. Paul M. Meister
Senior Vice President
Chief Financial Officer
Fisher Scientific International Inc.
Liberty Lane
Hampton, New Hampshire 03842

Dear Paul:

I still remember with great pleasure our meeting at Victoria Station last December.

I was sorry to learn that the finalization of your purchase of Janssen Chimica was delayed somewhat, and I presume that perhaps that was because of the lawsuit filed by Aldrich. What a waste of emotion!

I am just working on my autobiography, and in going through my notes I found that Joseph and Lorraine Meister in Verona, New Jersey purchased 50 shares of Aldrich stock at $10/share in 1965. Are they your parents? That stock has now split 24:1, and is trading around 50, and so that purchase of 50 shares was a good investment.

I do hope that we can stay in touch.

Best personal regards,

Enclosure

ALDRICH CHEMICAL CO., INC.

Telephone Order

Ship to

Date 1965

Time

Caller

Bill to (if different)

P.O. No.

Ship Via

Confirming to follow ☐

Quantity Ordered	Cat. No.	Description	Unit Price

Mr. Joseph C. Meister
and
Lorraine A. Meister
joint tenants

94 Murrell Street
Verona, N.J. 07044

SS 139-28-6708
50 sh.

Form A6

Taken by

CALL [redacted]

page 2 of 2

DATE: 12-22-93

File Filing

AA (5) EPS- NEG

John Tumazos said that we are cutting our '93 EPS estimates for Alcoa (AA-68) from ($0.03) to ($0.83) vs. $0.57 for the 4Q93 and from $1.00 to $0.20 vs. ($13.41) for the year, to incorporate charges related to a headcount reduction and closeure of a wire rod mill announced by the company on December 20. We are also reducing our '94 EPS projection from $1.50-$2.00 to breakeven-to-$0.20 because continued weak pricing for ingot, alumina, beverage can sheet and other fabricated products are likely to offset a portion of the company's cost improvements. Despite these reductions, we reaffirm our **MODERATELY ATTRACTIVE** rating on the shares of AA, owing to the company's fine financial results during a terrible market climate and the likelihood of an eventual aluminum market recovery.

LYO (2)

Bill Young and Nancy Traub said that we are retaining our EPS estimates for Lyondell Petrochemical (LYO-20 7/8) at $0.15 [excluding an extraordinary gain of $0.05] vs. $0.22 for the 4Q93, $0.17 vs. $0.32 for the full year '93 and $0.75 for '94. Despite the slide in 4Q93 industry refinery cracking spreads, improved performance by the refinery in aromatics and lubricants and in the processing of heavy Venezuelan crude oils has partially offset the decline. Moreover, LYO is benefitting from higher petrochemical gross margins. We continue to rate the shares of LYO **NEUTRAL.**

WLBLT Initiating Coverage (1) POS

Mark Hassenberg said that we are initiating coverage of Welbilt Corporation (WLBLT-18 1/2)* + with a rating of **VERY ATTRACTIVE.** WBLT is a leading brand-name manufacturer of kitchen equipment to the commerical foodservice industry and a distributor of small consumer kitchen appliances. The company should benefit from: 1) a delayed industry replacement cycle, fast food restaurant menu expansion and kitchen renovations; 2) the rise in kiosks and alternative eatery locations; and 3) penetration into Europe, the Far East and Latin America, where its largest customers have plans for rapid expansion. As a result of the company's recent IPO, which eliminated $55MM in 13 3/4% senior subordinated debt, we believe its better leveraged position will provide WBLT with the opportunity to make favorable acquisitions in a highly fragmented industry. On a *pro forma* basis, our EPS estimates are $1.45 vs. $0.86 for '93, $1.80-$1.85 for '94 and $2.00 for '95. These estimates are based on a top-line growth rate projection of 5%-7% and imply a compound annual earnings growth rate of 17% through '95. Our forecasts assume no acquisitions or improvements in the European economies and do not take into account the opportunities several new products might offer or the growth of fast food locations among mass merchants. The stock is currently selling at 10 times our '94 EPS projection, a 33% discount to both the market and to the average multiple of five competitors. At such a sharp discount, we believe WBLT offers value investors excellent upside potential of 20% + over the next 12 months, with little downside risk. **VERY ATTRACTIVE.**

FSH (8) POS

--Fisher Scientific (FSH-34 3/8) + has agreed in principle to acquire two organic chemicals businesses with combined sales of $35MM: Janssen Pharmaceutica NV and the organic chemicals business of Eastman Kodak (EK-56 1/8). We view this news favorably as these businesses will allow FSH to compete in the profitable organic chemicals business as a manufacturer and distributor, as well as add organics to its extensive product line. FSH's core businesses and acquisitions have continued to perform well through the year and the company continues to improve its operating costs. On a fully diluted basis, our EPS estimates remain $1.89 vs. $1.65 for '93 and $2.10 for '94. We believe FSH's continued progress in growing its core business, combined with making acquistions that should minimize current dilution, will drive the stock higher. Accordingly, we continue to rate the shares of FSH a **DLJ BUY.**

FAX FROM

DR. ALFRED R. BADER
Suite 622
924 East Juneau Avenue
Milwaukee, Wisconsin 53202
Telephone 414-277-0730
Fax No. 414-277-0709

December 13, 1993

To: Mr. Robin J. Braus
MacDonald & Company, Inc.
FAX 212 696 0357

Dear Mr. Braus:

Dr. Bader will meet the gentlemen from Fisher Scientific at the Grosvenor Hotel, **near the reservation desk**, on Thursday the 16th at 4 p.m.

Cordially,

M. Hassmann

Marilyn Hassmann
Secretary to Dr. Bader

FAX FROM

DR. ALFRED R. BADER
Suite 622
924 East Juneau Avenue
Milwaukee, Wisconsin 53202
Telephone 414-277-0730
Fax No. 414-277-0709

December 10, 1993

To: Mr. Robin J. Braus
MacDonald & Company, Inc.
FAX 212 696 0357

Dear Mr. Braus:

When I talked to Dr. Bader this afternoon he thanked you for your fax message. However, it would be much more convenient if the meeting at 4:00 p.m. on the 16th could be held at the Grosvenor Hotel in Victoria Station, the reason being that he plans to catch a train out of Victoria Station at 5:50 p.m. and meeting at Victoria Station will assure that he can catch the train. He will not be staying at the hotel, but the meeting could take place in the lobby.

PLEASE CONFIRM.

I will be speaking to Dr. Bader on Wednesday afternoon, about 4:00 p.m. Milwaukee time. Please let me know by then if meeting can be moved to the Grosvenor.

Thank you.

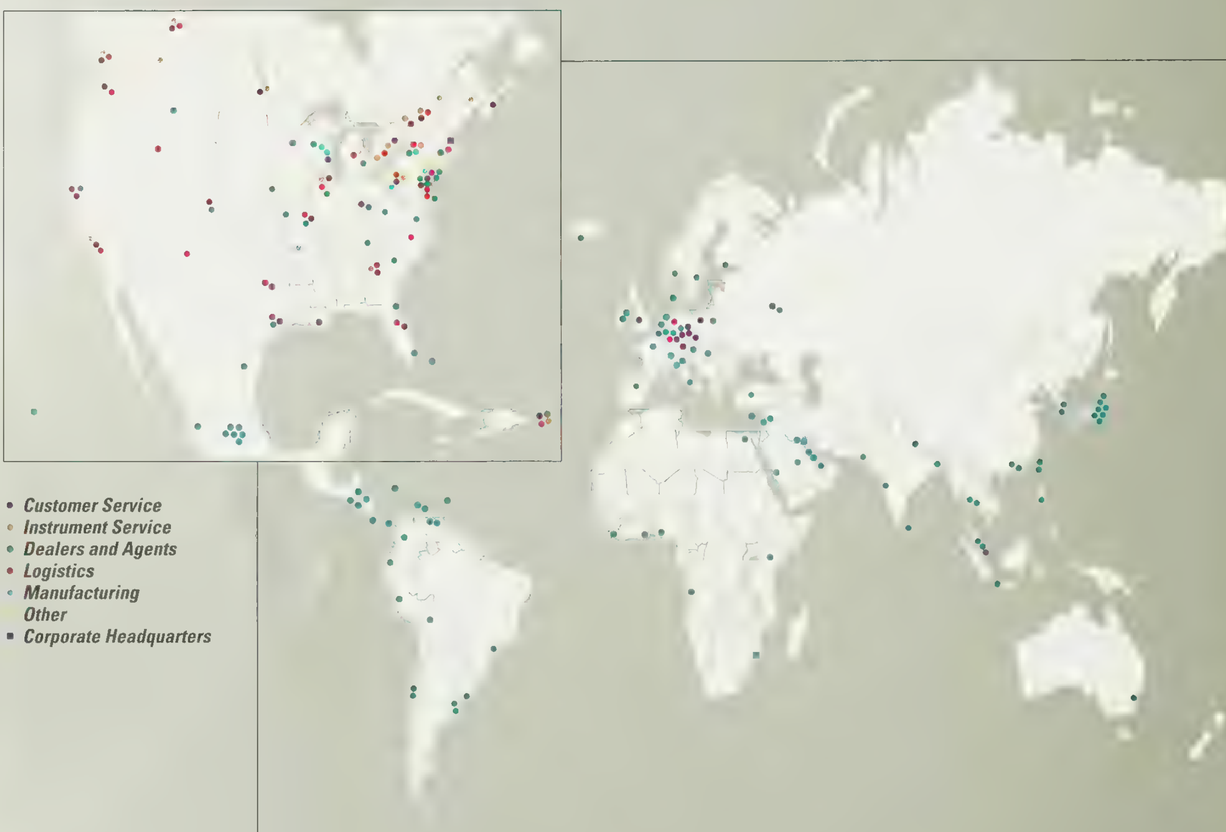
Marilyn Hassmann
Secretary to Dr. Bader

0300

212 696 0357

Fisher Scientific International
1992 Annual Report

Fisher Scientific International is the oldest and largest provider of instruments, equipment and other products to the scientific community in North America. Fisher offers a selection of more than 100,000 products to over 100,000 scientific, biomedical, educational and government research and testing centers worldwide.



Ordering from Fisher in the United States
To call a customer service representative:
1-800-766-7000
Fax:
1-800-926-1166
Computer: call
1-800-766-7000
for details

Canada
Phone: 613-226-8874
Fax: 613-226-8639

Latin America, Caribbean
Phone: 201-467-6400
Fax: 201-379-7415

Western Europe, Mideast, Africa
Phone: 44-332-200755
Fax: 44-332-296546

Asia, Pacific
Phone: 65-250-9766
Fax: 65-253-2286

Kuhn & Bayer (Central and Eastern Europe)
Phone: 49-6187-2019-0
Fax: 49-6187-201949

Financial Highlights

(In millions, except per share data)	*1990*	*1991*	*1992*
Sales	$704.8	$757.7	$813.8
Income from operations	27.5	18.0	46.2
Net income	11.1	7.7	26.8
Net income per common share—primary	—	0.51	1.66
Net income per common share—fully diluted	—	0.51	1.65
Cash provided by operations	$ 61.5	$ 44.9	$ 48.2
Book value per common share	$ —	$ 7.01	$ 9.46
Return on average equity (1)	7.7%	17.5%	20.9%

(1) 1991 excludes a $20 million ($12 million, net of tax) restructuring charge

Letter to Shareholders

Last year was an outstanding one for Fisher Scientific International Inc. In our first full year as a publicly owned corporation, we achieved record revenues and net income while continuing to strengthen the Company to provide for future growth.

Sales increased 7.4% to $813.8 million, primarily reflecting significantly higher sales of instruments, equipment and other products to the scientific community in the United States, partially offset by lower Canadian sales. Strong demand for consumables in all markets, as well as excellent customer acceptance of products serving the rapidly growing life-sciences and environmental markets, largely accounted for the sales gain.

Net income rose to $26.8 million, or $1.65 per share on a fully diluted basis, from the previous year's net of $7.7 million, or 51 cents per share, which included a $12 million after-tax restructuring charge. Selling and administrative expense as a percent of sales continued to decline last year.

Acquisitions

In December of last year we significantly expanded our operations by purchasing the premier American designer and manufacturer of laboratory workstations and by acquiring controlling interest in a leading German provider of scientific equipment and supplies.

Hamilton Scientific laboratory workstations, including steel and wood casework and highly engineered fume hoods, complement Fisher's own line of laboratory workstations, which we have installed in research and testing centers throughout the world. Like Fisher Scientific, Hamilton Scientific is a long-established business based on high-quality products and excellent customer service.

By acquiring the majority interest in the German company Kühn + Bayer, Fisher made its first equity investment in Europe. This market is becoming much more important to us as the globalization of research accelerates. Consequently, we are exploring additional investment opportunities around the world.

To support these and other development activities, we entered into a $100 million bank credit agreement last December. In February of 1993 we sold $125 million of convertible subordinated notes due 2003. Proceeds were used in part to repay bank debt incurred in the acquisition of Hamilton Scientific, and the balance will be invested in facilities and systems that will accelerate our expansion.

Fisher in 1992 completed several major laboratory design and installation projects, including related equipment, outside the United States. The customers included Caribe Refrescos Inc. and Universidad Intramericana de Puerto Rico, in Puerto Rico; Enviropace Ltd., Hong Kong; and Mobil Corporation, Singapore. In addition, through intensive dealer-stocking programs and reduced order-cycle time, Fisher increased its export activity.

Systems Capabilities

The Fisher sales and service organization, together with *The Fisher Catalog*, has over the past 90 years established the Company as a partner of the scientist. In the future, however, the engine of our growth will not be just these traditional strengths, which we shall continue to nurture. Rather, it will be a technology in which we have taken a strong leadership position: electronic purchasing systems.

Driven by the need to reduce the customer's purchasing costs, Fisher has developed a third generation of systems integration. It is changing our relationship with our largest customers from that of an outside supplier to that of a participant in their purchasing activity.

We pioneered in user-friendly purchasing by introducing the Lightning order-entry system in 1985. Today, there are more than 5,000 Lightning personal computer terminals in place. Next came electronic data interchange (EDI), a cost-effective system for exchanging purchase orders, acknowledgments and other information, generally between mainframes.

In 1992 we introduced our most advanced system, Fisher RIMS (Requisition and Inventory Management System), the most powerful and flexible purchasing tool available today. Fisher RIMS combines the speed and capacity of a mainframe with the convenience of a personal computer. As a result, Fisher can assume the customer's traditional role in purchasing, and Fisher's inventory can supplant the customer's stockroom. Fisher RIMS already enables us to provide just-in-time delivery and virtually paperless purchasing to such large customers as Hoffmann-La Roche Inc., Merck & Co., Inc. and New York University Medical Center. Its great potential is only beginning to be realized.

Our systems capabilities were also instrumental in obtaining significant new business from the University of California, the University of Florida, and the U.S. Department of Energy's Sandia National Laboratories, among many other customers, in 1992. The seven-year, $150 million contract with the University of California is believed to be the largest in the history of the scientific-supply industry. Research centers on nine University of California campuses are linked to Fisher via some 50 remote-order stations and advanced electronic data systems.

Paul M. Montrone
President and Chief Executive Officer

The Fisher Catalog

The 1993/94 edition of *The Fisher Catalog*, a 2,300-page, hardcover compendium of scientific supplies ranging from spectrophotometers to stoppers for serum bottles, was introduced late last year. Some 12,000 new products have been added since the 1991/92 edition was published. The new catalog's chemical index alone is 324 pages long and details thousands of reagents, fine chemicals and chemical specialities for research and testing applications. The latest edition is the 27th in a series that began shortly after the Company was founded in 1902. It has been broadly distributed among the scientific and purchasing departments of the more than 100,000 research and testing centers we serve.

Supplementing *The Fisher Catalog* are specialized catalogs devoted to basic product lines such as chemicals, educational materials, laboratory equipment and workstations, as well as product reference manuals for biotechnology, environmental testing, worker safety and other market sectors. Our new educational materials catalog, the largest ever, contains 1,020 pages of equipment and supplies for scientific instruction from elementary school through junior college.

These publications demonstrate the remarkable diversity of the 100,000-plus products we supply. Any of these products can be ordered by phone, fax, computer or mail, or when one of Fisher's 535 field representatives (backed by more than 550 customer service representatives) visits an account. Technical assistance is as close as the customer's telephone.

Products

Fisher was named exclusive national distributor by Ortho Diagnostic Systems Inc., a Johnson & Johnson company, for its Ortho-mune reagents, a premier line of monoclonal antibodies. These biopharmaceutical products identify critical cell types in research and in vitro testing related to AIDS, leukemia and organ transplants.

Ten major manufacturers of products for biotechnology and clinical laboratories, as well as other life-science applications, selected Fisher Scientific Limited to be the exclusive distributor of these products to the scientific community in Canada.

Among the thousands of products introduced by Fisher last year were several bearing the FisherBiotech trademark, including one used for a key procedure in HIV confirmatory testing. FisherBiotech equipment for photodocumentation and evaluation of DNA materials was also introduced in 1992.

In addition, Fisher commenced a special service that supplies small, custom-synthesized DNA segments for medical research, known as oligonucleotides, within 48 hours. The Company also marketed the tenth model in its highly successful Marathon line of centrifuges. Other new products:

- Two automated tissue processors that prepare human and animal tissues for microscopic study in clinical, medical research, pharmaceutical and toxicology laboratories.
- The Accumet 50 meter, Fisher's most versatile electroanalytical instrument to date. It provides not only pH, ion-specific, millivolt and temperature readings but also, for the first time in the same device, measures conductivity.

Fisher's ability to add value to the products it supplies to customers was dramatized last year when our chemical manufacturing division was awarded the International Standards Organization (ISO) certification for quality—ISO 9000—by an authorized accreditation team. These global standards, first applied in the European Community by the ISO, already govern quality in some 60 countries. Fisher is the first American producer of reagents and fine chemicals to have its facilities ISO 9000-certified.

Fisher's excellent performance last year was a product of the 4,200 men and women around the world who make Fisher Scientific International the unique company it is. We thank them for their creativity, initiative and hard work. Because of them, we are confident the Company will continue to grow and prosper.

Paul M. Montrone
President and
Chief Executive Officer
March 30, 1993

Fisher Systems Serving Science

Technical support is essential to a successful laboratory. Last year the Fisher technical service hotline answered 143,000 calls for assistance with product selection and applications from customers around the world. Chemist Bob Briggs heads the team of specialists.

In this control center in Pittsburgh the systems that link Fisher worldwide facilities, customers and suppliers with the Fisher mainframe computer are monitored 24 hours a day for peak performance. Thousands of stations are tracked. In the late 1960s, jointly with IBM, Fisher developed the scientific equipment industry's first real-time, on-line computer system.

Fisher RIMS and Other Systems

New York University Medical Center, one of America's leading biomedical resources, uses Fisher's revolutionary Requisition and Inventory Management System, Fisher RIMS, for some 35,000 orders a year, helping ensure product availability for this pediatric research laboratory at NYU's Tisch Hospital. Here cell cultures shed light on HIV and immunology.

This familiar visitor to NYU, The Rockefeller University, The Population Council and other New York City biomedical centers carries the encyclopedic Fisher catalog. His credentials include a medical technology degree and clinical experience.

John von Nessen
Sales Representative
New York University Medical Center

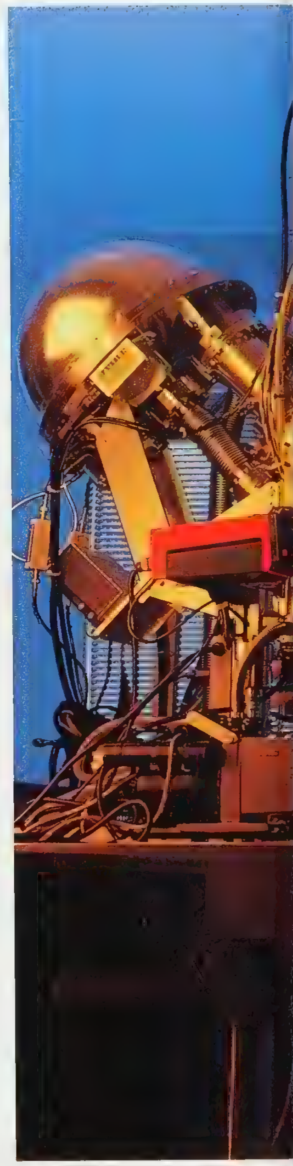
The Bowman Gray School of Medicine of Wake Forest University draws researchers in biotechnology and other disciplines from around the world. Its Winston-Salem North Carolina, laboratories are supplied via electronic data interchange (EDI) with Fisher, resulting in nearly paperless procurement Fisher's PC-based GasTrace system (above) tracks some 700 pressurized gas cylinders throughout the complex, cutting demurrage

From Hoechst Celanese Corporation's Dreyfus Research Park, Charlotte, North Carolina, will come many of tomorrow's fibers These materials are studied under scanning electron microscopes, as shown above. Forty Fisher Lightning terminals provide the Center with real-time information and order entry for some 100,000 Fisher products

Broad Capabilities

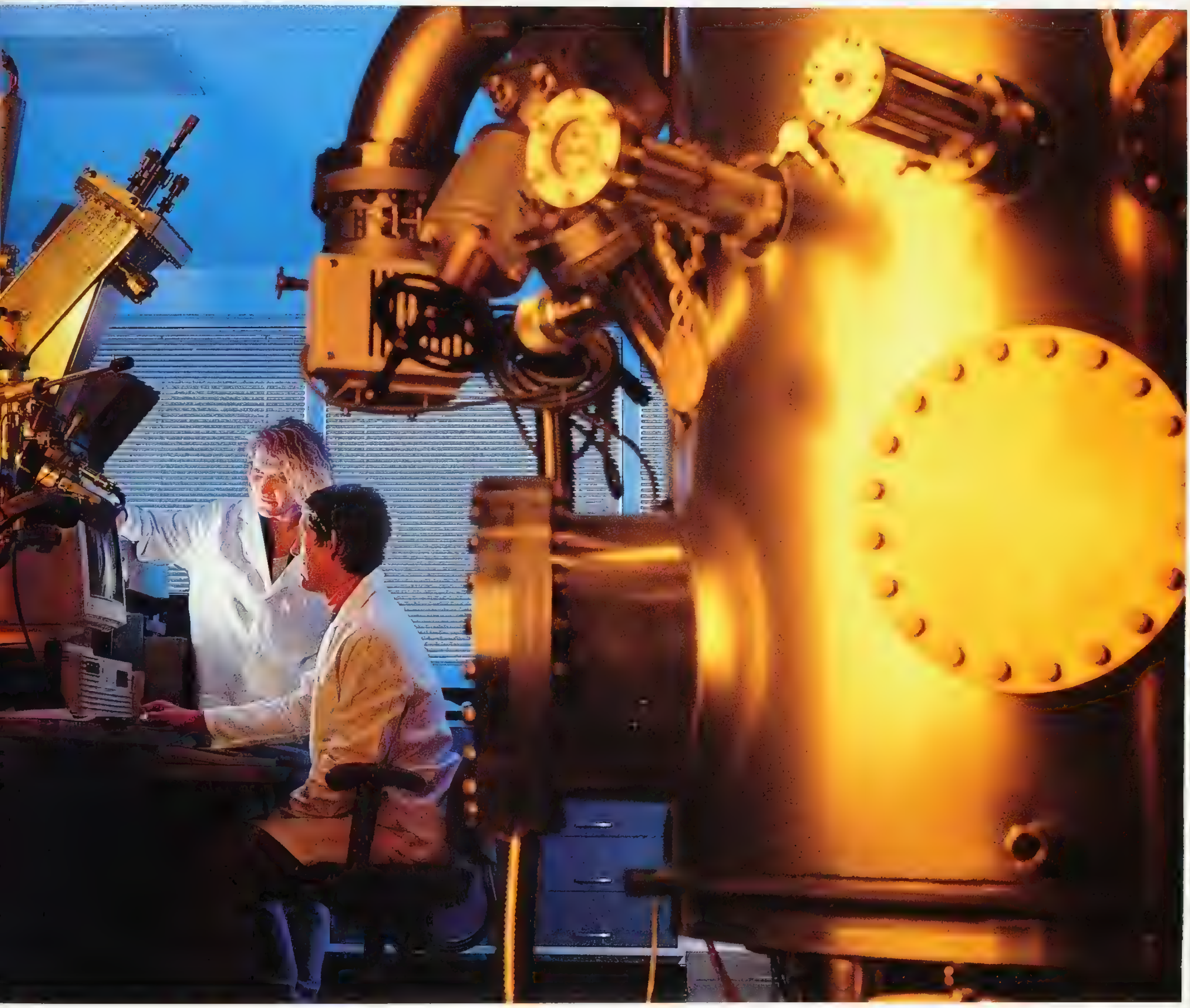
To ensure safe air flow through laboratory fume hoods, which are used in research, a Hamilton Scientific technician injects smoke and chemicals into a prototype fume hood at Hamilton's Two Rivers, Wisconsin, test center Hamilton, the premier American manufacturer of laboratory workstations, became part of Fisher late last year

Fisher fine-chemical plants were America's first to be awarded ISO 9000 certification for quality in manufacturing and testing. In this Bridgewater, New Jersey, facility, Fisher-designed equipment fills amber glass bottles with a special compound for cosmetic and pharmaceutical applications Computer systems are instrumental in planning the production of thousands of Fisher chemicals and maintaining an unfailing flow to Fisher customers



More than 300 aspects of manufacturing, distribution and service are monitored in our Total Quality Process. This has led to top awards for performance from such major customers as Sandia National Laboratories (above).

Javid A. Bashir
Chief Quality Officer
Pittsburgh



Sandia National Laboratories, Albuquerque, New Mexico, was established as a nuclear weapons engineering facility. Today it achieves its mission of "enhancing the security, prosperity, and well-being of the nation" through energy R&D, leading-edge basic and applied scientific research, transfer of its technology to private industry, and continued stewardship of the nuclear stockpile. It also operates a just-in-time facility nearby, providing products to 60 locations.

Global Networking

Kühn + Bayer, Fisher's new German affiliate, serves more than 4,000 customers from Central Europe to Moscow, including leading research-based companies such as Hoechst AG in Frankfurt. Orders can be entered on computers linking seven European sales offices to Kühn + Bayer's headquarters and logistics center in Nidderau, near Frankfurt.

Kühn + Bayer continues to operate under its longtime managers and part owners after their recent sale of the majority interest in the business to Fisher. Fisher products, as well as those of other suppliers, flow through Kühn + Bayer's expanding distribution system.

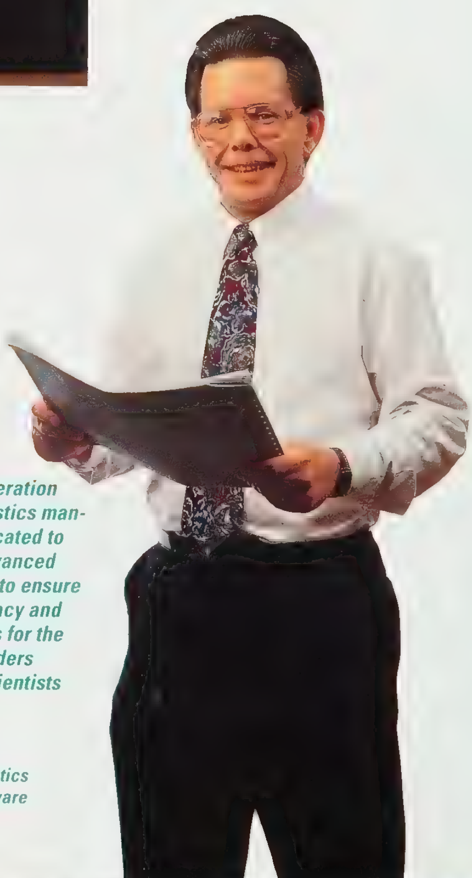
Helmut Clauss (near right)
Director
Dr. Johannes Clauss
Director

The University of California at Berkeley is world renowned for the quality of its laboratories and the distinction of its researchers Berkeley and eight sister UC campuses use the Fisher Lightning system for instant product information and order entry. Lightning is complemented by visits of Fisher representatives, who discuss new products with scientists such as eminent biologist Gary Firestone (far right), shown with Fisher's Tim McElligott. Selected for their scientific backgrounds, the 535 Fisher sales representatives have nearly 6,000 years of combined field experience

Just-in-Time Delivery

A laser scanner, used with a waist-mounted mini-computer terminal, frees a worker's hands at a Fisher logistics center. Guided by radio-frequency communications from the center's computer, he can effortlessly locate and document the handling of thousands of products. Such devices facilitate the rapid delivery increasingly required by research organizations

In a Fisher logistics center, a state-of-the-art information system ensures that rush shipments requiring special packing, marking and documentation for hazards—from mercury thermometers to radioisotopic microbiology kits—meet all governmental regulations



The new generation of Fisher logistics managers is dedicated to the use of advanced technologies to ensure speed, accuracy and completeness for the millions of orders shipped to scientists each year.

Randy Burton
Manager, Logistics
Newark, Delaware

Financial Review

Contents

Selected Financial Data

This summary of selected financial data should be read in conjunction with the Financial Statements presented elsewhere herein. Fisher was formed in September 1991; accordingly, the financial statements prior to 1992 may not necessarily reflect the results of operations or financial position had Fisher been a separate stand-alone entity since 1988. Balance sheet data for the year ended December 31, 1988 is derived from unaudited financial statements. In the opinion of management, the data for such unaudited period includes all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the data. See Notes 1 and 2 of Notes to Financial Statements for a further discussion of the formation of Fisher, the basis of presentation, principles of consolidation and defined terms.

	Year Ended December 31,				
(In millions, except per share amounts)	***1988***	***1989***	***1990***	***1991***	***1992***
Income Statement Data:					
Sales	$677.3	$700.1	$704.8	$757.7	$813.8
Gross profit	212.3	204.2	224.7	237.9	258.4
Selling, general and administrative expense	188.8	193.9	192.2	194.7	206.2
Restructuring charge (a)	—	—	—	20.0	—
Income from operations	17.1	4.7	27.5	18.0	46.2
Net income (loss) (a)	7.9	(0.6)	11.1	7.7	26.8
Share Data:					
Net earnings per common share: (b)					
Primary	—	—	—	$ .51	$ 1.66
Fully diluted	—	—	—	.51	1.65
Weighted average shares outstanding: (b)					
Primary	—	—	—	15.0	16.1
Fully diluted	—	—	—	15.0	16.3
Dividends declared per common share	—	—	—	—	$ .08
Balance Sheet Data (at end of period):	*(unaudited)*				
Working capital (c)(d)	$109.1	$129.9	$ 79.4	$ 90.5	$ 72.4
Total assets	365.0	389.5	363.1	419.6	533.6
Long-term debt	35.2	38.7	33.4	26.3	43.3
Group equity (d)	138.6	166.9	120.3	–	–
Stockholders' equity (d)	–	–	–	105.1	151.2

(a) During the third quarter of 1991, Fisher recorded a $20.0 million (approximately $12.0 million, net of tax) restructuring charge principally related to a program to improve the operation of its distribution system through the selective consolidation, relocation and expansion of its warehouse facilities.

(b) Net earnings per common share information for 1991 assumes that the 15,000,000 shares outstanding subsequent to Fisher's initial public offering were outstanding for the full year. Earnings per common share information is not presented for periods prior to 1991 since Fisher, as presented, had no stock outstanding during such periods.

Net earnings per common share for 1992 reflect the sale by the Company of 975,000 shares of Common Stock in connection with the sale by its former parent, on March 25, 1992, of its remaining 6.5 million shares of common stock. Primary and fully diluted net earnings per common share amounts for the year ended December 31, 1992 are based on an increased number of shares that would have been outstanding assuming conversion of outstanding stock options.

Primary and fully diluted net earnings per common share have been calculated assuming conversion of the Company's outstanding stock options using the treasury stock method. The treasury stock method uses the average market price of the Common Stock for purposes of computing the incremental shares outstanding for the primary net earnings per common share calculation and, if higher, the period-end market price of the Common Stock in computing the incremental shares outstanding for purposes of the fully diluted net earnings per common share calculation.

(c) During all periods prior to Fisher's initial public offering, Fisher's working capital needs were funded through its former parent's centralized cash management system, under which all surplus funds were generally transferred to its former parent's.

(d) Group equity and working capital prior to Fisher's initial public offering reflect the activity between Fisher and its former parent, including its former parent's management of Fisher's cash. Group equity was reclassified as stockholders' equity as of the date of Fisher's initial public offering to reflect Fisher's capitalization, including the transfer to Fisher of certain assets and liabilities (see Note 2 of Notes to Financial Statements). Stockholders' equity for the twelve months ended December 31, 1992 includes $20.5 million of proceeds from the sale by the Company of 975,000 shares of Common Stock in connection with the sale by its former parent, on March 25, 1992, of its remaining 6.5 million shares of Common Stock.

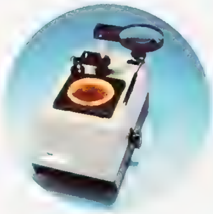
Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations

The following table sets forth certain data from the Company's income statements expressed as a percentage of sales

	Years Ended December 31,		
	1990	1991	1992
Sales	100.0%	100.0%	100.0%
Cost of sales –			
excluding effect of LIFO inventory liquidation	68.7	68.8	68.2
Effect of LIFO inventory liquidation	(0.6)	(0.2)	
Gross profit	31.9	31.4	31.8
Selling, general and administrative expense	27.3	25.7	25.3
Restructuring charge	–	2.6	–
Postretirement benefit charges other than pensions	0.7	0.7	0.7
Income from operations	3.9	2.4	5.7
Interest expense	0.7	0.4	0.2
Other (income) expense, net	–	(0.1)	(0.4)
Income before income taxes	3.2	2.1	5.8
Income tax provision	1.6	1.1	2.5
Net income	1.6%	1.0%	3.3%

Note Percentages may not add due to rounding



This compact Fisher Accu-Lite colony counter is an indispensable tool in bio-medical centers. Used for antibiotics studies, its five angles of light facilitate the counting of bacterial colonies in cultures

For biotechnologists, the compact MicroProbe, a system that uses a patented capillary technology, brings new reproducibility and flexibility to immunostaining

The following discussion should be read in conjunction with the Financial Statements included elsewhere herein.

1992 as Compared with 1991

Sales

Sales for the year ended December 31, 1992 increased 7.4% to $813.8 million from $757.7 million for the comparable period in 1991. Adjusting for a one-time shipment of $8.3 million of laboratory workstations and equipment to Kuwait in 1991, 1992 sales increased 8.6%. Offsetting sales increases in the U.S. was a slight decline in sales at the Company's Canadian operations due to general economic conditions in Canada and to the continued decline in value of the Canadian dollar relative to the U.S. dollar in 1992. The U.S. sales gains reflect continued growth in the life-sciences and environmental markets as well as strong demand for consumables in all markets

Gross Profit

Fisher's gross profit increased 8.6% to $258.4 million for the year ended December 31, 1992 from $237.9 million for the comparable period in 1991, primarily due to increased sales. Gross profit as a percent of sales of 31.8% in 1992 improved upon the 31 4% achieved in 1991. This improvement in gross margin relates to U.S. operations and was attributable primarily to moderate supplier cost increases during 1992 and to improved control over certain product related costs. Additionally, a decrease in Canadian margins, primarily due to the factors described above, partially offset the U.S margin gains.

Selling General and Administrative Expense

Selling, general and administrative expense for the year ended December 31, 1992 increased 5.9% to $206.2 million from $194.7 million in the comparable period in 1991, representing 25.3% of sales in 1992 versus 25.7% in 1991. This long-term trend of

The Fisher burner, hailed as a major advance over the original Bunsen burner, has been a best-selling appliance for decades. A new version, the AccuFlame, lets researchers "fine tune" to any flame shape desired

DNA sequencers, such as this FisherBiotech system, are increasingly used to help biomedical and biotechnology researchers investigate the structure of genes and develop new drugs to treat diseases

reduced selling, general and administrative expense as a percent of sales results from the relatively high fixed-cost component of selling, general and administrative expense.

Income From Operations

Fisher's sales growth, which resulted in increased gross profit, and the continued reduction in selling, general and administrative expense as a percent of sales, combined to increase income from operations for the year ended December 31, 1992 by 21.6% to $46.2 million, compared with $38.0 million (excluding a $20 million 1991 restructuring charge) for the year ended December 31, 1991. Income from operations as a percent of sales increased to 5.7% for the year ended December 31, 1992, compared with 5.0% (excluding the restructuring charge) in 1991.

Net Income

Net income for the year ended December 31, 1992 increased 36.0% to $26.8 million from $19.7 million, excluding the $20 million ($12 million, net of tax) 1991 restructuring charge. Net income as a percent of sales increased to 3.3% for the year ended December 31, 1992 from 2.6% (excluding the restructuring charge) in 1991. This improvement primarily reflects the significant increase in income from operations.

Net Earnings Per Common Share

In 1992, Fisher for the first time reported fully diluted net earnings per common share based on an increased number of shares that would have been outstanding assuming conversion of outstanding stock options. At December 31, 1992, stock options covering 985,000 shares of Common Stock at prices ranging from $14.50 (the price per share to the public in Fisher's initial public offering) to $27.84 per share were outstanding. At December 31, 1992, the dilutive effect of these options (which were not fully vested) required the Company to report both primary and fully diluted earnings per common share.

Weighted average shares outstanding in 1992 also reflect the sale by the Company of 975,000 shares of Common Stock pursuant to exercise of an underwriter's over-allotment option in connection with the sale by its former parent, on March 25, 1992, of its remaining 6.5 million shares of Common Stock, resulting in net proceeds to Fisher of $20.5 million.

1991 as Compared with 1990

Sales

Sales for the year ended December 31, 1991 increased 7.5% to $757.7 million from $704.8 million for 1990, despite a period of economic recession in North America, which is the Company's largest geographic market. Within this market, U.S. sales increased while Canadian sales, adversely affected by that country's more severe ongoing recession, were slightly below 1990 levels. Management believes that the sales increase in the U.S. was attributable, in part, to the increase in customer confidence in the reliability of Fisher's delivery and customer service as well as the initial benefits from the Company's strategy to broaden its customer base as a result of an improved customer service record. This sales gain occurred primarily in U.S sales of instruments, supplies and equipment. International sales also increased, primarily due to $8.3 million of shipments of laboratory workstations and equipment to Kuwait to re-equip research and educational facilities damaged in the Gulf war.

Gross Profit

Excluding the effects of LIFO liquidation gains in both years, Fisher's gross profit as a percent of sales was 31.2% in 1991 as compared with 31.3% in 1990. Fisher's gross profit increased 5.9% to $237.9 million for 1991 from $224.7 million for 1990. Excluding the effect of LIFO liquidation gains of $1.2 million and $3.9 million in 1991 and 1990, respectively, gross profit increased 7.2% to $236.7 million in 1991 from $220.8 million in 1990. Gross profit improved in 1991 primarily due to both increased sales volume, as a result of the continued broadening of the Company's customer base as described above, as well as moderating supplier costs in the U.S. In addition, gross profit increases were realized in Canada, primarily due to higher-margin sales to medical research and testing facilities. The gross profit increases described above were partially offset by a decline in margins in the Company's laboratory workstations sales due to pricing pressures related to the economy-wide decrease in capital equipment expenditures and increased costs of waste disposal in manufacturing operations

Selling, General and Administrative Expense
Selling, general and administrative expense for the year ended December 31, 1991 increased 1.3% to $194.7 million from $192.2 million in 1990. However, due to the relatively high fixed-cost component of selling, general and administrative expenses, such costs as a percentage of sales continued to decline, to 25.7% in 1991 versus 27.3% in 1990. This significant decline in selling, general and administrative expense as a percent of sales reflected steps taken by management in late 1990 to reduce costs, primarily through personnel reductions in various administrative departments.

Income From Operations
As a result of increased gross profit and the reduction in selling, general and administrative expense as a percent of sales, income from operations (excluding a $20.0 million restructuring charge) for the year ended December 31, 1991 increased 38.2% to $38.0 million from $27.5 million for the year ended December 31, 1990. Excluding the effect of LIFO liquidation gains of $1.2 million and $3.9 million in 1991 and 1990, respectively, income from operations increased 55.9% to $36.8 million from $23.6 million for 1990. Excluding the 1991 restructuring charge, income from operations as a percent of sales improved to 5.0% in the year ended December 31, 1991 from 3.9% in 1990 including the LIFO liquidation gains, or from 3.3% in 1990 to 4.9% in 1991, excluding the LIFO liquidation gains.

Net Income
Net income for the year ended December 31, 1991 decreased 30.6% to $7.7 million from $11.1 million in 1990. Excluding both the $12.0 million and $0.7 million after-tax effects of the 1991 restructuring charge and LIFO liquidation gain, respectively, and the $2.3 million after-tax effect of the LIFO liquidation gain in 1990, net income more than doubled to $19.0 million in 1991 from $8.8 million in 1990. Net income as a percent of sales declined to 1.0% for the year ended December 31, 1991 from 1 6% in 1990, including the after-tax effects of the 1991 restructuring charge and the 1991 and 1990 LIFO liquidation gains. Excluding the after-tax effects of the restructuring charge and LIFO liquidation gain in 1991 and the LIFO liquidation gain in 1990, net income as a percent of sales more than doubled to 2.5% from 1.2%. This improvement primarily reflected the significant increase in income from operations

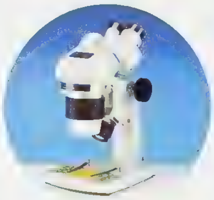
1990 as Compared with 1989

Sales
Sales for the year ended December 31, 1990 increased 0.7% to $704.8 million from $700.1 million in 1989. This change was attributable to increased sales of laboratory instruments, supplies and equipment in Canada and increased sales to educational customers, partially offset by lower sales outside North America

Gross Profit
Fisher's gross profit increased 10.0% to $224.7 million in 1990 from $204.2 million in 1989. Excluding the effects of a $3.9 million LIFO liquidation gain in 1990, gross profit increased 8.1% to $220.8 million in 1990 from $204.2 million in 1989 Gross profit as a percent of sales improved to 31.9% in 1990 from 29.2% in 1989. Excluding the effects of the LIFO liquidation gain in 1990, gross profit as a percent of sales improved to 31.3% in 1990 from 29.2% in 1989. This increase was due in part to improved product mix and the ability of the Company to increase product prices as a result of improved customer service levels. Improvements in

Skilled American glass blowers in the Fisher electrochemistry department fabricate these sensitive electrodes, which measure conductivity of samples in environmental laboratories utility plants and in the field

An innovative delivery system for researchers' solvents, FisherPak is based on stainless-steel reusable drums, which have the purity of glass but not its disposal problems. Serial numbers designate each drum in the system



In schools and colleges, tomorrow's researchers view living or inanimate specimens in 3D through Fisher Stereomaster microscopes They provide outstanding optics for the budget-conscious science classroom.

A workhorse in petroleum-testing facilities worldwide is this Fisher instrument for measuring the flash point of fuel and lubricating oils. It's precision-made to official specifications.

customer service levels were largely the result of management's commitment to maintain an optimal inventory mix reflecting customer needs for both high-turn and slower moving products.

Selling, General and Administrative Expense

Selling, general and administrative expense for 1990 decreased $1.7 million to $192.2 million from $193.9 million in 1989, representing 27.3% of sales in 1990 versus 27.7% in 1989. This improvement primarily reflected actions taken by management in late 1989 to reduce costs, principally through personnel reductions as a result of the 1989 consolidation of sales and customer service responsibilities related to certain of the Company's business units. In late 1990 the Company implemented certain administrative personnel reductions, which had the effect of achieving cost savings without impairing customer service levels. While this action had minimal impact upon 1990 results, future periods would benefit from reduced annual operating expenses as a percent of sales.

Income From Operations

Income from operations increased almost sixfold to $27.5 million from $4.7 million in 1989. Excluding the effects of a $3.9 million LIFO liquidation gain in 1990, income from operations increased to $23.6 million from $4.7 million in 1989. Income from operations as a percent of sales improved to 3.9% in 1990 from 0.7% in 1989, or to 3.3% excluding the LIFO liquidation gain in 1990. These improvements reflected the enhancement of gross profit and the relatively flat level of selling, general and administrative expense.

Net Income

Net income for 1990 increased to $11.1 million from a loss of $0.6 million in 1989. Excluding the $2.3 million after-tax effect of the LIFO liquidation gain in 1990, net income increased to $8.8 million in 1990 from a loss of $0.6 million in 1989. Net income as a percent of sales improved to 1.6%, or 1.2% excluding the after-tax LIFO liquidation gain for 1990, up from (0.1)% in 1989. These improvements primarily reflected the increase in income from operations.

Liquidity and Capital Resources

Debt

During the fourth quarter of 1992, the entire $20 million outstanding under the Company's Canadian revolving credit agreement was repaid and the agreement was subsequently cancelled.

In December 1992, the Company entered into a $100 million revolving credit agreement with a syndicate of banks (the "Credit Agreement"). The Credit Agreement (as amended), which expires June 15, 1996, contains certain restrictive covenants customary in financing agreements of this type. Interest on the borrowings is variable and resets, at the Company's option, at intervals ranging up to six months. The Company borrowed $40 million under the Credit Agreement and used $50 million of available cash in connection with the purchase of Hamilton. The $40 million outstanding under the Credit Agreement was subsequently repaid in March 1993 upon completion of the public debt offering described below.

On March 2, 1993, the Company completed a public offering of $125 million aggregate principal amount of its convertible subordinated notes due 2003 (the "Notes"). The net proceeds to the Company from the offering, after underwriter's discount and estimated expenses, were approximately $121.9 million. Subsequent to the completion of the Notes offering the Company repaid the $40 million which had been outstanding under the Credit Agreement at December 31, 1992.

The Notes, which carry an effective interest cost of approximately 5.9%, pay cash interest at 4.75% to March 1996 and at 6.5% thereafter through maturity in 2003. The Notes are redeemable at the option of the Company at any time on or after March 12, 1996; initially at approximately 103% of the principal amount and at prices declining to 100% at final maturity, in each case together with accrued and unpaid interest to the date of redemption. The Notes are convertible (at the holder's option) into Common Stock at any time on or prior to maturity, unless previously redeemed, initially at a conversion price of $\$35\frac{1}{8}$ per share Holders of the Notes have the right upon a change of control (as defined) resulting from a repurchase event (as defined), to require that the Company repurchase the Notes at 100% of the outstanding principal amount plus accrued and unpaid interest. The Notes are subordinated to all existing indebtedness of the Company.

Operations

The Company maintains three facilities in the State of New Jersey. Two such facilities, in Fair Lawn and Bridgewater, New Jersey, are the subject of administrative consent orders, issued pursuant to New Jersey's Environmental Clean-Up and Responsibility Act ("ECRA") in connection with prior transfers of a controlling interest in the Company, which require that certain remediation activities be undertaken at these sites. The Fair Lawn facility is also part of a site listed on the "Superfund" National Priority List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"). Fisher has also been notified that it is among the potentially responsible parties under CERCLA or similar state laws for the costs of investigating and/or remediating contamination caused by hazardous materials at several other sites

Fisher believes that substantially all of its Superfund liabilities associated with these sites are indemnified by third parties, except that liabilities relating to the Fair Lawn site may not be entirely covered by applicable indemnities. Although the Company is unable to predict the cost of any additional investigation and/or remediation that may be required at the Fair Lawn site at this time, based on the Company's knowledge to date, such costs are not expected to have a material adverse effect on the Company's financial condition

The Company's non-Superfund liabilities for environmental matters are principally related to compliance with the ECRA administrative consent orders and other environmental regulatory requirements such as the Clean Air Act, the Clean Water Act and other generally applicable requirements Based upon the Company's experience to date, the cost of compliance with environmental laws is not expected to have a material adverse effect on the Company's earnings, liquidity or competitive position. However, future events, such as changes in existing laws and regulations or enforcement policies or changes in the conduct of Fisher's operations, may give rise to additional compliance costs which would have a material adverse effect on the Company's financial condition

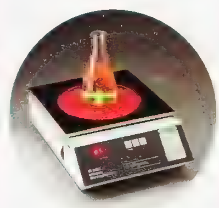
Fisher spent approximately \$1.5 million and \$1.9 million during the years ended December 31, 1991 and 1992, respectively, related to environmental monitoring and compliance. Expenditures for environmental matters, including compliance costs under the existing administrative consent orders and possible future CERCLA administrative consent orders or directives, for installation and operation of groundwater treatment systems and other planned expenses, are expected to increase in the near-term to an average of approximately \$3 million to \$4 million per year for the period 1993 through 1995

Common Stock Transactions

The Company paid a quarterly cash dividend of \$.02 per share for each of the quarterly periods of fiscal 1992. The Company anticipates paying regular quarterly dividends of \$.02 per share and will be funded by cash generated from operations No dividend will be payable unless declared by the Fisher Board of Directors and funds are legally available for payment of a dividend.

On March 25, 1992, Fisher's former parent sold its remaining 6.5 million shares of Fisher Common Stock. In connection with this sale the underwriters for the offering were granted an over-allotment option by the Company with respect to 975,000 shares of Common Stock. This over-allotment option was exercised in full, resulting in net proceeds to Fisher of \$20.5 million.

In this pH meter, which recently won a major award for instrument design, Fisher fits a research-grade system into an ultra-compact case sealed against the dust and spills of environmental tests



Precious experimental solutions are uniformly heated and stirred on this Fisher unit, which employs innovative infrared technology to attain high temperatures in half the time of previous hotplates

This FisherBiotech apparatus uses ultraviolet radiation to bind nucleic acids to membranes prior to a variety of research procedures, including gene mapping.

Biotechnology centers can create their own custom systems for the visualization and photodocumentation of DNA gels (detecting samples to billionths of a gram) using these FisherBiotech components.

Other

During the years ended December 31, 1991 and 1992, the Company made capital expenditures of $3.0 million and $4.1 million, respectively.

During the third quarter of 1991, Fisher recorded a $20.0 million (approximately $12.0 million, net of tax) restructuring charge principally related to a program to improve the operation of its distribution system through the selective consolidation, relocation and expansion of its warehouse facilities. To date cash expenditures related to this program have not been significant. Fisher expects that cash generated from operations will be sufficient to meet its ongoing working capital and capital expenditure requirements and to fund the restructuring program.

Financial Condition

December 31, 1992 Compared with December 31, 1991

The Company had $72.4 million of working capital at December 31, 1992, compared with $90.5 million at December 31, 1991. The Company's current ratio decreased from 1.8 at December 31, 1991 to 1.5 at December 31, 1992. The decrease in both the working capital and current ratio during 1992 is primarily attributable to the use of cash for the acquisitions of Hamilton and K+B offset by $48.2 million of cash provided by operations and the receipt of $20.5 million of cash proceeds from the exercise of an over-allotment option in connection with its former parent's sale of its 6.5 million shares of Common Stock.

The Company's operating working capital (defined as receivables plus inventories less accounts payable and accrued liabilities) of $66.8 million at December 31, 1992, represents a $1.1 million decrease from the December 31, 1991 level of $67.9 million.

During the year ended December 31, 1992, the Company's operations provided $48.2 million of cash, compared with $44.9 million for the same period in 1991.

December 31, 1991 Compared with December 31, 1990

During the year ended December 31, 1991, the Company used $2.5 million and $13.9 million for investing and financing activities, respectively, while operations generated $44.9 million. Financing activities during the year consisted of $26.0 million of normal intercompany cash transfers to its former parent through September 30, 1991, net proceeds of Fisher's initial public offering of $19.4 million and $7.3 million of net repayments of long-term debt.

Inventory amounted to $69.6 million at December 31, 1991, which represented a $7.5 million, or 9.7%, decrease from the 1990 balance as Fisher continued to derive benefits from its ongoing inventory rationalization program.

Increases in the balances of property, plant and equipment, accrued liabilities and other liabilities all primarily reflect the Transfer (see Note 2 of Notes to Financial Statements). The $19.9 million, or 24.3%, increase in other assets principally reflects both future tax benefits associated with the third-quarter 1991 restructuring charge and the effect of the Transfer. The $15.2 million, or 12.6%, decrease in group and stockholders' equity primarily reflects the Transfer and the normal intercompany transfer of cash from Fisher to its former parent through September 30, 1991, both of which were partially offset by the net proceeds of Fisher's initial public offering.

Other

The effect of income taxes on the Company's Financial Statements is discussed in Note 6 of Notes to Financial Statements. Additionally, Fisher's estimate of the effect of FAS 109 is discussed in Note 2 of Notes to Financial Statements.

Income Statements

(In millions, except per share amounts)	Year Ended December 31, 1990	1991	1992
Sales	$704.8	$757.7	$813.8
Cost of sales	480.1	519.8	555.4
Selling, general and administrative expense	192.2	194.7	206.2
Restructuring charge	–	20.0	–
Postretirement benefit costs other than pensions	5.0	5.2	6.0
Income from operations	27.5	18.0	46.2
Interest expense	5.1	3.4	1.9
Other (income) expense, net	(.1)	(1.1)	(3.1)
Income before income taxes	22.5	15.7	47.4
Income tax provision	11.4	8.0	20.6
Net income	$ 11.1	$ 7.7	$ 26.8
Net earnings per common share:			
Primary		$ .51	$ 1.66
Fully diluted		$ .51	$ 1.65

See the accompanying notes to financial statements.

Balance Sheets

(In millions, except share data)	December 31, 1991	1992
Assets		
Current assets:		
Cash and cash equivalents	$ 28.5	$ 14.4
Receivables, net	103.2	116.2
Inventories	69.6	78.3
Other current assets	4.5	5.6
Total current assets	205.8	214.5
Property, plant and equipment, net	82.3	105.3
Goodwill	29.7	98.3
Other assets	101.8	115.5
Total assets	$419.6	$533.6
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term debt	$ .4	$ 2.0
Accounts payable	54.3	62.2
Income taxes payable	10.0	12.4
Accrued liabilities	50.6	65.5
Total current liabilities	115.3	142.1
Long-term debt	26.3	43.3
Postretirement benefit costs other than pensions	70.7	75.9
Other liabilities	102.2	121.1
Total liabilities	314.5	382.4
Commitments and contingencies		
Stockholders' equity:		
Common stock ($.01 par value; 50,000,000 shares authorized; 15,000,000 shares and 15,989,000 shares issued and outstanding at December 31, 1991 and 1992, respectively)	.2	.2
Capital in excess of par value	109.2	129.9
Preferred stock ($.01 par value; 15,000,000 shares authorized, none outstanding)	–	–
Foreign currency translation adjustment	(4.3)	(4.4)
Retained earnings		25.5
Total stockholders' equity	105.1	151.2
Total liabilities and stockholders' equity	$419.6	$533.6

See the accompanying notes to financial statements

Statements of Cash Flows

(In millions)	*Year Ended December 31,* 1990	1991	1992
Cash flows from operating activities:			
Net income	$ 11.1	$ 7.7	$ 26.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	9.3	11.2	12.8
Noncash effect of postretirement benefit costs other than pensions	4.6	4.5	5.2
Noncash restructuring charge, net of tax	–	12.0	
Changes in working capital:			
Receivables, net	10.8	0.4	3.4
Inventories	16.5	7.5	2.0
Other current assets	–	(0.6)	0.4
Accounts payable	12.2	1.3	5.5
Accrued liabilities	1.3	1.6	2.5
Other assets and liabilities	(4.3)	(0.7)	(10.4)
Cash provided by operating activities	61.5	44.9	48.2
Cash flows from investing activities:			
Acquisition	–	–	(90.0)
Investment purchases	(29.1)	(25.1)	(36.5)
Investment proceeds	24.2	25.6	36.4
Capital expenditures	(2.9)	(3.0)	(4.1)
Other	–	–	(5.4)
Cash used in investing activities	(7.8)	(2.5)	(99.6)
Cash flows from financing activities:			
Net intercompany transactions	(48.5)	(26.0)	–
Proceeds from common stock offerings, net	–	19.4	20.5
Dividends paid	–	–	(0.9)
Long-term debt proceeds	2.0	6.1	45.7
Long-term debt payments	(7.2)	(13.4)	(28.0)
Cash provided (used) by financing activities	(53.7)	(13.9)	37.3
Net change in cash and cash equivalents	–	28.5	(14.1)
Cash and cash equivalents—beginning of period		–	28.5
Cash and cash equivalents—end of period	$ –	$ 28.5	$ 14.4

See the accompanying notes to financial statements

Statements of Changes in Group and Stockholders' Equity

(In millions)	Group Equity	Common Stock	Capital in excess of par value	Foreign Currency Translation Adjustment	Retained Earnings	Total
Balance, December 31, 1989	$ 171.2	–	–	$(4.3)	–	$166.9
Net income	11.1	–	–	–	–	11.1
Foreign currency translation adjustment	–	–	–	.1	–	.1
Net intercompany transactions	(57.8)	–	–	–	–	(57.8)
Balance, December 31, 1990	124.5	–	–	(4.2)	–	120.3
Net income	7.7	–	–	–	–	7.7
Proceeds from common stock offering, net	19.4	–	–	–	–	19.4
Net intercompany transactions	(42.2)	–	–	–	–	(42.2)
Foreign currency translation adjustment	–	–	–	(.1)	–	(.1)
Reclassification of group equity to reflect common stock offering	(109.4)	.2	109.2	–	–	–
Balance, December 31, 1991	–	.2	109.2	(4.3)	–	105.1
Net income	–	–	–	–	26.8	26.8
Proceeds from common stock offering, net	–	–	20.5	–	–	20.5
Proceeds from stock options		–	.2	-		.2
Dividends	–	–	–	–	(1.3)	(1.3)
Foreign currency translation adjustment	–	–	–	(.1)	–	(.1)
Balance, December 31, 1992	$ –	$ .2	$129.9	$(4.4)	$25.5	$151.2

See the accompanying notes to financial statements

Notes to Financial Statements

NOTE 1 - Formation and Basis of Presentation

Fisher Scientific International Inc. ("Fisher" or the "Company") was formed by The Henley Group, Inc. ("Henley" or "Former Parent") in September 1991 and consists principally of Fisher Scientific Company, whose operations are conducted through one business segment—scientific and medical products. This includes operations engaged in the supply, marketing, service and manufacture of laboratory workstations and equipment, scientific, educational and medical products. The financial statements include the accounts (primarily marketable securities and related liabilities) of an inactive insurance subsidiary (which ceased issuing new policies during the first quarter of 1991) associated with historically affiliated businesses.

Certain prior period amounts have been reclassified to conform to their current presentation.

NOTE 2 - Summary of Significant Accounting Policies

Principles of Consolidation-The financial statements contain the accounts of the Company and all majority-owned subsidiaries. Intercompany accounts and transactions are eliminated.

Income Taxes are based on pretax financial statement income with a deferred tax provision for the effect of timing differences in the recognition of income and expense for financial statement and income tax reporting purposes. See Note 17 for a description of the Tax Sharing Agreement between The Bolsa Chica Company ("Bolsa Chica"—corporate successor to Henley) and Fisher. Income taxes are provided on undistributed earnings of foreign affiliated companies which are not considered to be permanently reinvested.

On February 14, 1992, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," ("FAS 109"). FAS 109 supersedes both APB Opinion No. 11, "Accounting for Income Taxes" and FAS No. 96, "Accounting for Income Taxes," and will be adopted by the Company on January 1, 1993. Based on estimates developed to date, the Company does not believe that the adoption of FAS 109 will have a material effect on operations or stockholders' equity.

Inventories are valued at the lower of cost or market, cost being determined principally by the last-in, first-out (LIFO) method.

Property is recorded at cost and is generally depreciated using estimated useful lives which range from 5 to 33 years. For financial statement purposes, depreciation is computed principally using the straight-line method. For tax purposes, depreciation is generally computed by accelerated methods based on allowable useful lives.

Goodwill is being amortized on a straight-line basis over 40 years. The amounts presented are net of accumulated amortization of $19.4 million and $20.2 million at December 31, 1991 and 1992, respectively.

Other assets include intangible assets of $13.6 million at December 31, 1992 which are being amortized over their estimated useful lives, ranging up to 10 years.

Marketable securities are carried at amortized cost, which approximates market.

Postretirement Benefits Other Than Pensions-Effective January 1, 1986, the Company adopted Statement of Financial Accounting Standard No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("FAS 106"), on the immediate recognition basis. Under this accounting method, the Company records the cost of these benefits during an employee's years of service versus on a pay-as-you-go basis upon retirement.

Other (income) expense, net represents principally earnings on marketable securities which will be used to fund historical insurance obligations (Note 14).

Statements of Cash Flows-For purposes of the Statements of Cash Flows the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. Interest income for the years ended December 31, 1990, 1991 and 1992 was $2.1 million, $2.3 million and $3.1 million, respectively. Significant noncash financing activities for the year ended December 31, 1991 consist of the transfer to Fisher by its Former Parent of approximately $30.4 million of assets, principally property and equipment, and $55.8 million of liabilities, primarily related to the deductible portion of insurance programs associated with both Fisher's and certain of its Former Parent's historical businesses (the "Transfer").

Cash paid for interest during the years ended December 31, 1990, 1991 and 1992 was $4.7 million, $3.8 million and $1.5 million, respectively. Cash paid for actual income taxes and to its Former Parent in lieu of income taxes during the years ended December 31, 1990, 1991 and 1992 totaled $2.2 million, $23.4 million and $18.8 million, respectively.

NOTE 3 - Net Earnings Per Common Share

Net earnings per common share for 1992 reflect the sale by the Company of 975,000 shares of Common Stock in connection with the sale by its Former Parent, on March 25, 1992, of its remaining 6.5 million shares of Fisher Common Stock. Primary and fully diluted net earnings per common share amounts for the year ended December 31, 1992 are based on an increased number of shares that would have been outstanding assuming conversion of outstanding stock options. Primary and fully diluted net earnings per common share have been calculated assuming conversion of the Company's outstanding stock options using the treasury stock method.

Net earnings per common share shown in the accompanying income statement for the year ended December 31, 1991 assume that the 15,000,000 shares outstanding subsequent to the Company's initial public offering of common stock in December 1991 were outstanding for the full year. Net earnings per common share data are not presented for periods prior to 1991 as Fisher, as presented, had no shares outstanding during such periods.

NOTE 4 - Acquisitions

On December 31, 1992, the Company acquired substantially all of the assets of the Hamilton Division ("Hamilton") of Hamilton Industries, Inc. Hamilton is the oldest and largest manufacturer and supplier of laboratory workstations and equipment in the United States. Hamilton designs, manufactures, markets and installs a full line of laboratory workstations, casework and fume hoods for laboratories, hospitals, universities and government agencies throughout the world. The purchase price paid by Fisher for Hamilton was $90 million in cash plus the assumption of certain liabilities.

The following unaudited pro forma financial information presents the consolidated results of operations as if the acquisition of Hamilton had occurred at the beginning of the periods presented.

	1991	*1992*
Sales	$841.8	$921.8
Net income (loss)	(0.1)	26.9
Net income (loss) per common share:		
Primary	$ (0.1)	$ 1.67
Fully diluted	$ (0.1)	$ 1.66

The pro forma financial information includes the results of Hamilton combined with the Company's historical results, the effects of the preliminary purchase accounting allocations and adjustments to interest income and to interest expense to reflect both the use of available cash and borrowings under the Credit Agreement. The pro forma financial information does not purport to present what the Company's results of operations would actually have been had the acquisition of Hamilton occurred on the assumed dates, or project the Company's results of operations for any future period.

Also in December 1992, the Company acquired a majority equity interest in Kühn + Bayer ("K+B"), a supplier of scientific products based near Frankfurt, Germany. The acquisitions of Hamilton and K+B were completed using available funds and borrowings under a $100 million bank credit agreement entered into by the Company in December 1992 (the "Credit Agreement") (Note 12).

The Company's balance sheet at December 31, 1992 includes estimates of the fair value of assets and liabilities acquired in connection with the acquisitions of Hamilton and K+B (collectively the "Acquisitions"). The excess of the purchase price over the fair value of net assets acquired was approximately $69.8 million. These estimates are based upon preliminary studies; final allocation of the purchase price will be made as soon as possible after appraisals, valuations and other studies relating to the acquired assets and liabilities are completed. Changes in purchase accounting estimates made within one year of the resolution of contingencies that existed at the dates of the Acquisitions may result in a reallocation of the purchase price.

NOTE 5 - Group and Stockholders' Equity

On December 24, 1991, the Company completed an initial public offering in which the Company issued and sold 1.5 million shares of its common stock, par value $.01 per share ("Common Stock"), and its Former Parent sold 7.0 million shares of Fisher Common Stock. On March 25, 1992, its Former Parent sold 6.5 million shares of Common Stock representing its remaining Fisher holdings. In connection with this sale the underwriters were granted an over-allotment option by the Company with respect to 975,000 shares of Common Stock. This over-allotment option was exercised in full resulting in net proceeds to Fisher of $20.5 million.

Group Equity reflects the activity between Fisher and its Former Parent prior to Fisher's initial public offering. Group Equity was reclassified as of the date of Fisher's initial public offering to reflect the capitalization of the Company.

Authorized Capital Stock

Fisher's authorized capital stock consists of 50,000,000 shares of Common Stock, par value $.01 per share, of which 15,000,000 and 15,989,000 shares are outstanding at December 31, 1991 and 1992, respectively, and 15,000,000 shares of preferred stock, par value $.01 per share (the "Fisher Preferred Stock"), none of which are outstanding.

The Fisher Preferred Stock and the Common Stock are each issuable in one or more series or classes, any or all of which may have such voting powers, full or limited, or no voting powers, and such designations, preferences and related participating, optional or other special rights and qualifications, limitations or restrictions thereof, as are set forth in the Restated Certificate of Incorporation of Fisher or any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by Fisher's Board of Directors, which is expressly authorized to set such terms for any such issue.

Convertible Subordinated Notes

On March 2, 1993, the Company completed a public debt offering in which the Company sold $125 million aggregate principal amount of its convertible subordinated notes due 2003 (the "Notes"). The Notes have certain conversion, redemption and repurchase options as further described in Note 19.

NOTE 6 - Income Taxes

The domestic and foreign components of income before income taxes are as follows (in millions):

	Year Ended December 31,		
	1990	1991	1992
Domestic	$19.4	$10.6	$40.7
Foreign	3.1	5.1	6.7
Income before income taxes	$22.5	$15.7	$47.4

The components of the income tax provision (benefit) are as follows (in millions):

	Year Ended December 31,		
	1990	1991	1992
Foreign	$ .6	$ 1.6	$ 1.7
Federal	8.7	13.1	16.6
State	2.5	3.9	4.3
Deferred	(.4)	(10.6)	(2.0)
Income tax provision	$11.4	$ 8.0	$20.6

The principal items accounting for the differences in taxes on income computed at the U.S. statutory rate of 34% and as recorded, are as follows (in millions):

	Year Ended December 31,		
	1990	1991	1992
Taxes computed at statutory rate	$ 7.6	$ 5.3	$16.1
Taxes over the U.S. tax rate on foreign earnings	.1	.4	.3
Items not deductible for tax purposes	2.1	1.3	1.5
State income taxes (net of federal benefit)	1.6	1.0	2.7
Income tax provision	$11.4	$ 8.0	$20.6

The principal items in the deferred tax provision (benefit) are as follows (in millions):

	Year Ended December 31,		
	1990	1991	1992
Income not currently recognized	$ .5	$ .4	$ .6
Postretirement benefit costs other than pensions	(1.8)	(1.8)	(2.1)
Restructuring charge (Note 18)	–	(8.0)	.4
Expenses deductible for tax purposes when paid	.6	(1.0)	(1.0)
Depreciation	.3	(.2)	.1
Deferred tax provision (benefit)	$ (.4)	$(10.6)	$ (2.0)

See Note 17 for a description of the Tax Sharing Agreement entered into by the Company.

At December 31, 1992, the Company had approximately $4.5 million of cumulative undistributed earnings of foreign subsidiaries on which U.S. federal income taxes have not been provided as these earnings are considered to be permanently reinvested

NOTE 7 - Receivables

The following is a summary of receivables at December 31 (in millions):

	1991	1992
Trade and other receivables	$107.8	$122.0
Allowance for doubtful accounts	(4.6)	(5.8)
	$103.2	$116.2

The allowance for doubtful accounts at December 31, 1990 was $4.2 million. During the three years ending December 31, 1992 the provisions for doubtful accounts were $1.3 million, $.7 million and $2.3 million and write-offs were $1.4 million, $.3 million and $1.1 million, respectively.

NOTE 8 - Inventories

The following is a summary of inventories by major category at December 31 (in millions):

	1991	1992
Raw materials	$ 8.6	$ 9.3
Work in process	1.7	3.8
Finished products	59.3	65.2
	$69.6	$78.3

Inventories valued at LIFO amounted to $58.9 million at December 31, 1991 and $59.8 million at December 31, 1992, which were below estimated replacement cost by approximately $26 million and $29 million, respectively. During the years ended December 31, 1990, 1991 and 1992 certain inventories were reduced, resulting in the liquidation of LIFO inventory layers carried at lower costs prevailing in prior years. The effect of this liquidation was to reduce cost of sales by approximately $3.9 million for the year ended December 31, 1990; the reductions to cost of sales for the years ended December 31, 1991 and 1992 were not significant.

NOTE 9 - Property, Plant and Equipment

The following is a summary of property, plant and equipment by major class of asset at December 31 (in millions):

	1991	1992
Land, buildings and improvements	$62.2	$109.0
Machinery and equipment	48.8	74.0
Office furniture and equipment	17.3	6.7
	128.3	189.7
Accumulated depreciation	(46.0)	(84.4)
	$82.3	$105.3

NOTE 10 - Other Assets

The following is a summary of other assets at December 31 (in millions):

	1991	1992
Deferred taxes	$ 52.9	$ 51.7
Marketable securities of an inactive insurance subsidiary	27.2	31.8
Prepaid pension costs	4.1	5.5
Other	17.6	26.5
	$101.8	$115.5

NOTE 11 - Accrued Liabilities

The following is a summary of accrued liabilities at December 31 (in millions):

	1991	1992
Wages and benefits	$13.9	$21.0
Taxes other than income taxes	4.1	5.4
Environmental	2.1	2.1
Warranty reserves	1.9	1.8
Current portion of postretirement benefit costs other than pensions	8	.8
Other	27.8	34.4
	$50.6	$65.5

NOTE 12 - Debt

On March 2, 1993, the Company completed a public debt offering in which the Company sold $125 million aggregate principal amount of the Notes. The Notes have certain conversion, redemption and repurchase options as further described in Note 19.

In December 1992, the Company entered into a $100 million revolving credit agreement (the "Credit Agreement") with a syndicate of banks. The Credit Agreement (as amended), which expires June 15, 1996, contains certain restrictive covenants customary in financing agreements of this type. Interest on the borrowings is variable and resets, at the Company's option, at intervals ranging up to six months. The Company is required to pay a facility fee of 1/4 of 1% on the commitment amount.

The Company borrowed $40 million under the Credit Agreement in connection with the purchase of Hamilton; this amount was subsequently repaid in March 1993 upon completion of a public debt offering (Note 19). At December 31, 1992 the interest rate was 6%.

During the fourth quarter of 1992, the entire $20 million outstanding under the Company's Canadian revolving credit agreement was repaid and the agreement was subsequently cancelled. The weighted average interest rates under these Canadian borrowings were 14.6%, 11.7% and 7.7% in 1990, 1991 and 1992, respectively.

The following is a summary of debt and capital lease obligations at December 31 (in millions):

	1991	1992
Credit Agreement	$ –	$40.0
Canadian Senior Revolving Credit Agreement	23.3	–
Capital lease obligations	2.6	3.3
Other	.8	2.0
Less short-term and current portion of long-term debt	(.4)	(2.0)
Long-term debt	$26.3	$43.3

Future maturities of long-term debt, including capital leases and excluding $40 million repaid under the Credit Agreement in March 1993, over the next five years and thereafter are as follows at December 31, 1992: $2.0 million in 1993, $.6 million in 1994, $.7 million in 1995, $.5 million in 1996, $.2 million in 1997 and $1.3 million in years subsequent to 1997.

NOTE 13 - Other Liabilities

The following is a summary of other liabilities at December 31 (in millions):

	1991	1992
Insurance liabilities of an inactive insurance subsidiary (Note 14)	$ 17.3	$ 14.9
Environmental	27.5	26.5
Restructuring	19.5	17.5
Other insurance liabilities	16.4	16.9
Other	21.5	45.3
	$102.2	$121.1

NOTE 14 - Commitments and Contingencies

The following is a summary of annual future minimum lease and rental commitments under operating leases as of December 31, 1992 (in millions):

1993	$ 7.1
1994	4 5
1995	2.7
1996	1.7
1997	.8
Thereafter	1.7
	$18.5

Total rental expense included in the accompanying income statement amounted to $9.8 million in 1990, $10.5 million in 1991 and $10.2 million in 1992.

There are various lawsuits and claims pending against the Company. Certain of these matters involve contracts, product liability and environmental issues of Fisher's laboratory and medical products business. In addition, the Company has assumed certain insurance liabilities, including liabilities related to an inactive insurance subsidiary, primarily related to certain historical businesses of its Former Parent including those related to workers' compensation, employers', automobile, general and product liability. While the ultimate liability, if any, from these matters cannot be predicted with certainty, the Company's management does not expect that the resolution of these matters will have a material effect on the financial statements of the Company.

At December 31, 1992, the Company had letters of credit outstanding totaling $32.7 million, which primarily represent guarantees with respect to various insurance activities as well as performance letters of credit issued in the normal course of business. Approximately $11.0 million of the insurance related letters of credit relate to the Company's inactive insurance subsidiary and are collateralized by the marketable securities of such subsidiary (Note 10).

NOTE 15 - Retirement Benefits

Defined Benefit Pension Plans

The Company has defined benefit pension plans available to substantially all employees which provide for mandatory employee contributions as a condition of participation. A participating employee's annual postretirement pension benefit is determined by the employee's credited service and average annual earnings during the employee's service with the Company, or predecessors of the Company. The Company's funding policy is to contribute annually the statutorily required minimum amount as actuarially determined.

The following information excludes amounts related to the Hamilton noncontributory pension plan. As of June 30, 1992, the latest date for which an actuarial analysis has been completed, the projected benefit obligation of the Hamilton plan exceeded the fair value of the plan assets by approximately $3.8 million. The Hamilton plan assets at June 30, 1992 were invested primarily in fixed income securities.

The net periodic pension cost of these plans included the following components for the years ended December 31 (in millions):

	1990	1991	1992
Service cost	$ 1.6	$ 1.6	$ 1.8
Interest cost on projected benefit obligation	6.6	6.7	6.1
Actual (return) loss on assets	6.3	(21.3)	(9.0)
Net amortization and deferral	(16.0)	11.6	0.4
Net periodic pension (income) cost	$ (1.5)	$ (1.4)	$ (0.7)

The funded status and accrued pension cost at December 31, 1991 and 1992 for defined benefit plans were as follows (in millions):

	1991 Plans with		1992 Plans with	
	Surplus	Deficit	Surplus	Deficit
Actuarial present value of vested benefit obligation	$(68.2)	$(.5)	$(68.1)	$(0.6)
Accumulated benefit obligation	(72.5)	(.5)	(73.0)	(0.6)
Projected benefit obligation	(82.9)	(.5)	(82.2)	(1.3)
Plan assets at fair value	100.9	–	96.3	–
Plan assets in excess of (less than) projected benefit obligation	$ 18.0	$(.5)	$ 14.1	$(1.3)

Certain changes in the items shown above are not recognized as they occur, but are amortized systematically over subsequent periods. Unrecognized amounts still to be amortized and the amount which is included in the balance sheet of the Company at December 31, 1991 and 1992 appear below (in millions):

	1991 Plans with		1992 Plans with	
	Surplus	Deficit	Surplus	Deficit
Unrecognized transition asset	$10.9	$ –	$ 8.0	$ –
Unrecognized prior service cost	–	(.5)	–	(1.0)
Unrecognized net gain	2.9	.1	1.8	–
Prepaid (accrued) pension cost	4.2	(.1)	4.3	(0.3)
Plan assets in excess of (less than) projected benefit obligation	$18.0	$(.5)	$14.1	$(1.3)

The development of the net periodic pension cost and the projected benefit obligation was based upon the following assumptions:

	1991	1992
Discount rate	8.5%	8.0%
Average rate of increase in employee compensation	5.5%	5.0%
Expected long-term rate of return on assets	9.0%	9.0%

The date used to measure plan assets and liabilities was October 31 in each year. Plan assets are invested primarily in stocks, bonds, short-term securities and cash equivalents.

Postretirement Benefits Other Than Pensions

Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("FAS 106"), was implemented on the immediate recognition basis effective as of January 1, 1986. This accounting method requires that the cost of these benefits, which are primarily health care benefits, be recognized in the financial statements during the employee's years of service.

The Company, generally at its sole discretion, provides employees, who elect to and are eligible to participate, a postretirement health care program which is administered by the Company. Fisher funds a portion of the cost of this program on an insured premium basis and, for the years ended December 31, 1990, 1991 and 1992, made premium payments totaling $.4 million, $.7 million, and $.8 million, respectively.

The following information excludes amounts related to postretirement benefits earned by the employees of Hamilton, which, based on its preliminary review, the Company does not believe will be significant.

The following table sets forth the plan's funded status, reconciled with amounts recognized in Fisher's balance sheet as of December 31 (in millions):

	1991	1992
Accumulated postretirement benefit obligations		
Retirees	$15.2	$15.3
Fully eligible active plan participants	9.0	11.9
Other active plan participants	29.9	30.8
	54.1	58.0
Plan assets at fair value	–	.2
Accumulated postretirement benefit obligation in excess of plan assets	54 1	57 8
Unrecognized net gain from past experience different from that assumed and from assumption changes	17 4	18.9
Accrued postretirement benefit costs other than pensions	$71.5	$76.7

Net periodic postretirement benefit costs other than pensions included the following components for the years ended December 31 (in millions):

	1990	1991	1992
Service cost-benefit attributed to service during the period	$ 2.4	$ 2.4	$ 2.4
Interest cost on accumulated postretirement benefit obligation	3.6	3.8	4.8
Net amortization and deferral	(1.0)	(1.0)	(1.2)
Net periodic postretirement benefit costs other than pensions	$ 5.0	$ 5.2	$ 6.0

For measurement purposes, a 14.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 1992; the rate was assumed to decrease gradually to 8.5% for 1996 and remain at that level thereafter. The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 8%.

The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a change in the assumed health care cost trend rates by 1 percentage point effective January 1, 1992 would change the accumulated postretirement benefit obligation as of December 31, 1992 by approximately $9.5 million and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year ended December 31, 1992 by approximately $1.3 million.

NOTE 16 - Stock and Other Plans

Stock Plan

Fisher has established a stock plan (the "Stock Plan") which provides for the grant of awards covering up to 1,500,000 shares of Common Stock, which would, if issued in full, represent approximately 9% of the outstanding Common Stock of Fisher, subject to adjustment in the event of stock dividends, split-ups, recapitalization and similar transactions. Awards under the Stock Plan may be granted to officers and other executive employees of Fisher by the Compensation Committee of the Fisher Board (the "Compensation Committee").

The Stock Plan provides for the granting of options intended to qualify either as "incentive stock options" under the Internal Revenue Code or "non-qualified stock options" not intended to so qualify. Options are granted for terms to be determined by the Compensation Committee (not to exceed ten years in the case of incentive stock options) and will generally be exercisable in cumulative installments as follows: 40% of the shares subject to the original grant after the first year and 30% after the second and third years. The option price of incentive stock options is the mean between the highest and lowest sale price of Common Stock on the date of grant. The option price with respect to non-qualified options is determined by the Compensation Committee based on a formula averaging the closing prices of Common Stock for a period not to exceed 30 days prior to grant. Both qualified and non-qualified options may be granted with stock appreciation rights, limited rights or restricted units or shares. Stock appreciation rights, restricted units and restricted shares may also be awarded separately by the Compensation Committee.

Effective December 18, 1991 the Compensation Committee approved grants covering 957,000 shares at a price of $14.50 per share. During 1992, an additional 80,000 shares were granted at prices ranging from $24.93 to $27.84. Also during 1992, there were 38,000 shares which were forfeited and 14,000 shares which were exercised. At December 31, 1992, 362,000 shares are exercisable and 501,000 shares remain available for future grant.

Restricted Unit Plan

Pursuant to the restricted unit plan of Fisher, each non-employee director of the Company received a one-time grant of 5,000 units upon becoming a director of the Company. The units represent the right to receive an equivalent number of shares of common stock upon separation from service as a member of the Board of Directors, subject to certain restrictions. The units are subject to certain transfer restrictions for a specified period during which the director has the right to receive dividends. The units will normally vest at 25% for each year of service. Unvested units are generally forfeited if the director ceases to be a non-employee director prior to the end of the restricted period. During 1991, 20,000 units were granted under the restricted unit plan.

NOTE 17 - Transactions with Former Parent

Allocations

General and administrative expenses include $8 million for each of the years ended December 31, 1990 and 1991, respectively, reflecting the allocation to Fisher by its Former Parent of corporate general and administrative costs. Management believes these allocations to be reasonable. However, they are not necessarily indicative of the level of costs which Fisher might have incurred on a stand-alone basis.

Services Agreement

In connection with its initial public offering, Fisher entered into a services agreement with its Former Parent which made available to Fisher, until December 1996, certain management services. This agreement also governed the relationship between Fisher and its Former Parent following Fisher's initial public offering. In exchange for these services Fisher agreed to pay an annual fee of $2.5 million, adjusted annually for inflation. The services agreement provided that if Fisher's Former Parent reduced the level of services provided to Fisher consistent with a reduction of its Former Parent's provision of comparable services to itself and its affiliates the fee payable by Fisher would be appropriately reduced. In connection with a corporate reorganization of Henley in July 1992, the services agreement was assigned to and assumed by Abex Inc. ("Abex"), and Abex ceased providing all services other than the use of space at Abex's corporate headquarters. The fees paid by Fisher to its Former Parent and to Abex pursuant to the services agreement aggregated $1.8 million in 1992.

Tax Sharing Agreement

Fisher and its Former Parent are parties to a Tax Sharing Agreement which provides for (i) the payment of taxes for periods during which Fisher and its Former Parent were included in the same consolidated combined or unitary group for federal, state or local income tax purposes, (ii) the allocation of responsibility for the filing of tax returns, (iii) the cooperation of the parties in realizing certain tax benefits, (iv) the conduct of tax audits and (v) various related matters. The Company expects to pay approximately $4.0 million pursuant to this agreement in 1993.

NOTE 18 - Restructuring Charge

During the third quarter of 1991, Fisher recorded a $20.0 million (approximately $12.0 million, net of tax) restructuring charge related to a program primarily designed to improve the operation of its distribution system through the selective consolidation, relocation and expansion of its warehouse facilities. To date there have been no significant cash expenditures related to this program.

NOTE 19 - Subsequent Event

On March 2, 1993, the Company completed an offering of $125 million aggregate principal amount of its convertible subordinated notes. The net proceeds to the Company from the Notes offering, after underwriter's discount and estimated expenses, were approximately $121.9 million. The Notes, which carry an effective interest cost of approximately 5.9%, pay cash interest at 4.75% to March 1996 and at 6.5% thereafter through maturity in 2003. The Notes are redeemable at the option of the Company at any time on or after March 12, 1996; initially at approximately 103% of the principal amount and at prices declining to 100% at final maturity, in each case together with accrued and unpaid interest to the date of redemption. The Notes are convertible (at the holder's option) into Common Stock at any time on or prior to maturity, unless previously redeemed, initially at a conversion price of $35⅛ per share. Holders of the Notes have the right upon a change of control (as defined), resulting from a repurchase event (as defined), to require that the Company repurchase the Notes at 100% of the outstanding principal amount plus accrued and unpaid interest. The Notes are subordinated to all existing indebtedness of the Company.

In connection with the issuance of the Notes, the Company repaid $40 million which had been outstanding under its Credit Agreement at December 31, 1992.

NOTE 20 - Unaudited Quarterly Financial Information

The following is a summary of quarterly financial information for 1991 and 1992 (in millions, except per share amounts):

			1991		
	First	***Second***	***Third***	***Fourth***	***Year***
Sales	$173.4	$185.8	$199.5	$199.0	$757.7
Gross profit	54.7	59.8	61.9	61.5	237.9
Net income (loss)	2.8	5.1	(4.7)(a)	4.5	7.7
Net earnings (loss) per common share(b)	$ .19	$ .34	$ (.31)(a)	$ .30	$ .51

			1992		
	First	***Second***	***Third***	***Fourth***	***Year***
Sales	$195.8	$201.8	$210.9	$205.3	$813.8
Gross profit	63.2	63.6	66.4	65.2	258.4
Net income	4.9	6.5	8.3	7.1	26.8
Net earnings per common share(c):					
Primary	$ .32	$ .41	$ .52	$ .43	$ 1.66
Fully diluted	$ .32	$ .41	$ .52	$ .43	$ 1.65

(a) Includes a $20.0 million ($12.0 million, net of tax) restructuring charge principally related to a program to improve the operation of Fisher's distribution system through the selective consolidation, relocation and expansion of its warehouse facilities

(b) Assumes that the 15,000,000 shares outstanding subsequent to Fisher's initial public offering were outstanding for the full year

(c) Net earnings per common share for 1992 reflect the sale by the Company of 975,000 shares of Common Stock in connection with the sale by its Former Parent, on March 25, 1992, of its remaining 6.5 million shares of Fisher Common Stock. Primary and fully diluted net earnings per common share amounts for the quarter and year ended December 31, 1992 are based on an increased number of shares that would have been outstanding assuming conversion of outstanding stock options. Primary and fully diluted net earnings per common share have been calculated assuming conversion of the Company's outstanding stock options using the treasury stock method

Independent Auditors' Report

To the Board of Directors of
Fisher Scientific International Inc.

We have audited the accompanying balance sheets of Fisher Scientific International Inc. as of December 31, 1991 and 1992, and the related statements of income, cash flows, and changes in group and stockholders' equity for each of the three years in the period ended December 31, 1992. These financials statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Fisher Scientific International Inc. at December 31, 1991 and 1992 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1992 in conformity with generally accepted accounting principles.

Deloitte & Touche

Deloitte & Touche

New York, New York
March 22, 1993

Directors and Officers

Directors and Officers

Robert J. Barone
Vice President—Administration

Philip E. Beekman
Director
Chairman of the Board
and Chief Executive Officer
Hook-SupeRx, Inc.

Michael D. Dingman
Director
Chairman of the Board

Clifford T. Dirkes
Vice President—Tax

John E. Gilbert, Jr.
Senior Vice President—Operations

Gerald J. Lewis
Director
Of Counsel, Latham & Watkins

Paul M. Meister
Senior Vice President—
Chief Financial Officer

Edward J. Montgomery, Jr.
Director
Retired Chairman
Mellon Bank (East)

Paul M. Montrone
Director
President and Chief Executive Officer

Lt. Gen. Thomas P. Stafford
Director
Consultant, General Technical
Services, Inc.

Mark A. Underberg
Vice President—General Counsel
and Secretary

P. Thomas Vogel
Vice President

Headquarters

Fisher Scientific International Inc.
Liberty Lane
Hampton, NH 03842

Stock Transfer Agent and Registrar

Mellon Bank, N.A.
P.O. Box 444
Pittsburgh, PA 15230

Securities transfers must be sent to:
Securities Transfer Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, NJ 07660

Stock Listing

Fisher Scientific International Inc. common stock is listed on the New York Stock Exchange under the symbol FSH.

Shareholder Services

Shareholders with inquiries concerning Fisher Scientific International Inc. or their investment in the Company may contact Fisher Shareholder Services by calling 800/443-6474 (toll-free) or by writing to Fisher Shareholder Services, P.O. Box 1400, Pittsburgh, PA 15230.

Duplicate Mailings

If you are receiving more than one copy of the Company's various mailings, you may, on written request, eliminate the additional mailings, with the exception of proxy materials. Please direct your request to Fisher Shareholder Services, P.O. Box 1400, Pittsburgh, PA 15230.

Shareholder Account Consolidation

If you are receiving more than one copy of the Company's various mailings and wish to consolidate your separate shareholder accounts, please contact Fisher Shareholder Services to receive instructions for effecting an account consolidation.

Direct Mailing to "Street Name" Holders

Shareholders who maintain their investment in a brokerage account or other "street name" account should receive the Company's Annual Report as well as other shareholder information from their broker or other shareholder of record. If you are such a shareholder and wish to receive additional reports directly from the Company, please contact Fisher Shareholder Services.

Design: Arnold Saks Associates   Major Photography: Mason Morfit

Fisher Scientific International Inc.

Liberty Lane
Hampton, NH 03842
603-929-2650

"Take interest in these sacred dwellings which we call Laboratories. There it is that humanity grows greater, stronger, better."

Louis Pasteur
(1822-1895)

The French scientist's observation was a favorite of Chester Garfield Fisher (1881-1965), founder of Fisher Scientific. It has served as a trademark of the Company for generations.

NEWS STORY KEY S3896/158 SOURCE: DJ DATE: 07/22 TIME: 14:04 PAGE: 1/2
corp: FSH indu: ERN MDS

Fisher Scientific Intl 2Q Net 52c A Share Vs 41c >FSH

Quar June 30:

	1993	1992
Sales	$240,900,000	$201,800,000
Net income	8,600,000	6,500,000
a Avg shrs (primary)	6,500,000	b 16,000,000
Shr earns (primary):		
Net income	.52	.41
6 Months:		
Sales	469,100,000	397,600,000
Net income	14,600,000	11,400,000
a Avg shrs (primary)	16,500,000	b 15,600,000
Shr earns (primary):		
Net income	.89	.73

a. Primary and fully diluted net earnings per share have been calculated assuming conversion of the company's outstanding stock options using the treasury stock method.

b. Reflects the March 1992 sale of 975,000 common shares in connection with

S3896/158
CN)L3==W9) 1!B! (pg x) 14:58:36 93/12/27

NEWS STORY KEY S3896/158 SOURCE: DJ DATE: 07/22 TIME: 14:04 PAGE: 2/2
corp: FSH indu: ERN MDS

Fisher Scientific Intl 2Q Net 52c A Share Vs 41c >FSH

the sale by its former parent of 6.5 million common shares.

(END) DOW JONES NEWS 07-22-93
2:04 PM

S3896/158
CN)L3==W9) 1!B! (pg x) 14:58:41 93/12/27

NEWS STORY KEY S1303/91 SOURCE: DJ DATE: 09/27 TIME: 10:32 PAGE: 1/1
corp: EUROP FSH N.INM indu: ICS TNM

Internatio Mueller Sells Unit To Fisher Scientific Intl >FSH

AMSTERDAM -DJ- Dutch trading group Internatio Mueller NV said it sold its Den-Bosch-based subsidiary Lamers & Pleuger BV to Fisher Scientific International Inc. (FSH).

A spokesman for Internatio declined to give financial details of the transaction or say whether Lamers & Pleuger is profitable.

But Rotterdam-based Internatio said the unit, which is a trading company in laboratory chemicals and scientific machinery, employs 29 and will benefit from joining forces with Fisher.

''The link-up of Lamers & Pleuger with Fisher improves Lamers & Pleugers' competitive position, and its prospects for the future will be better than they are currently,'' Internatio said.

(END) DOW JONES NEWS 09-27-93
10:32 AM

S1303/91
CN)L3==W9) 1!B! (pg x) 14:58:57 93/12/27

NEWS STORY KEY S3734/63 SOURCE: DJ DATE: 10/25 TIME: 15:30 PAGE: 1/2
corp: FSH indu: ERN MDS

Fisher Scientific Intl 3Q Net 59c A Shr Vs 52c >FSH

Fisher Scientific International Inc.

3rd Quar Sept. 30:

	1993	1992
Sales	$260,200,000	$210,900,000
Net income	9,700,000	8,300,000
Avg shrs (primary)	16,400,000	16,000,000
Shr earns (primary):		
Net income	.59	.52
Shr earns (diluted):		
Net income	.54	.52
9 Months:		
Sales	729,300,000	608,500,000
Net income	24,300,000	19,700,000
Avg shrs (primary)	16,300,000	15,700,000
Shr earns (primary):		
Net income	1.49	1.26
Shr earns (diluted):		

S3734/63
CN)L3==W9) 1!B! (pg x) 14:59: 7 93/12/27

NEWS STORY KEY S3734/63 SOURCE: DJ DATE: 10/25 TIME: 15:30 PAGE: 2/2
corp: FSH indu: ERN MDS

Fisher Scientific Intl 3Q Net 59c A Shr Vs 52c >FSH

Net income	1.41	1.26

(END) DOW JONES NEWS 10-25-93
3:30 PM

S3734/63
CN)L3==W9) 1!B! (pg x) 14:59:11 93/12/27

NEWS STORY KEY S1545/7 SOURCE: DJ DATE: 12/20 TIME: 10:57 PAGE: 1/1
corp: CANDA EUROP FSH ZNXS indu: BTC MTC

Zynaxis Pacts -2-: Also In Canada Distribution Pact >ZNXS

MALVERN, Pa. -DJ- Zynaxis Inc. (ZNXS) said it signed two distribution agreements for marketing its Zymmune CD4/CD8 cell monitoring system in Europe, and a distribution agreement for North America.

In a press release, the company said it signed European agreements with privately held Dasit S.P.A. in Italy and Merlin Diagnostika in Germany. The company also signed Fisher Scientific Ltd., a unit of Fisher Scientific International Inc. (FSH), as the exclusive distributor for Zymmune products in Canada.

The company said it expects to sign several more distributors for the Zymmune CD4/CD8 system in Europe by the end of the year.

(END) DOW JONES NEWS 12-20-93
10:57 AM

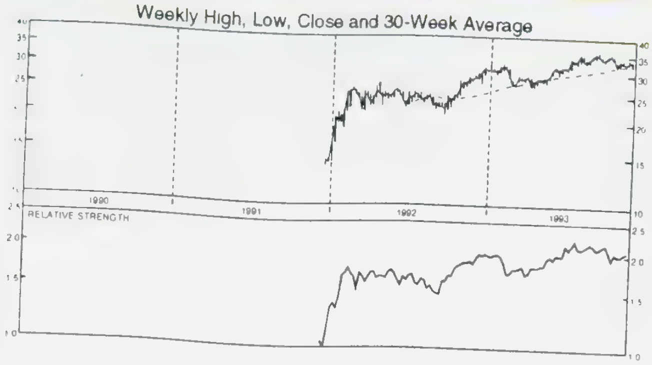
S1545/7
CN)L3==W9) 1!B! (pg x) 14:59:23 93/12/27

[illegible]
[illegible] III [illegible]
Intermatic Mueller [illegible] Scientific [illegible]
AMSTERDAM -DJ- Dutch [illegible] group Intermatic Mueller NV said it sold its [illegible]
[illegible]-based subsidiary Lameris & Fleurer BV to Fisher Scientific International Inc. (FSH).
A spokesman for Intermatic declined to give financial details of the transaction or say whether Lameris & Fleurer is profitable.
But Netherlands-based Intermatic said the unit [illegible] laboratory chemicals and scientific equipment, [illegible] will benefit from joining forces with Fisher.
'The link-up of Lameris & Fleurer with Fisher improves Lameris & Fleurer's competitive position and its prospects for the future will be better than they are currently,' Intermatic said.
(END) DOW JONES NEWS 03-27-97
10:32 AM

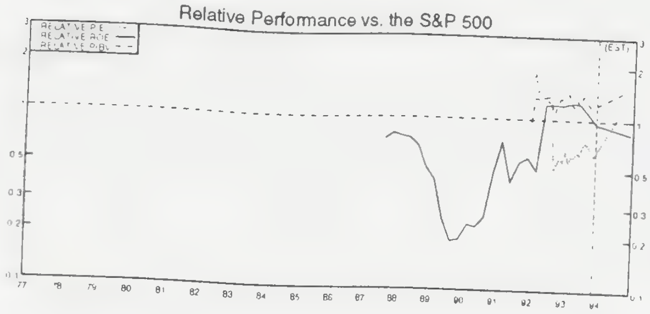
FISHER SCIENTIFIC INTERNATIONAL (FSH: 33¾)+

Mark Hassenberg (212) 504-4210

Weekly High, Low, Close and 30-Week Average



Relative Performance vs. the S&P 500



Rating: Buy **Relative Return Projection:** Over 20%
Portfolios: EMG, PR

Investment Statement: Fixed costs in place to realize over $1.2 billion in revenues. FSH enjoys substantial operating leverage, and as volume increases we are projecting bottom-line growth of 15-20% annually over the next 3 years.

- FSH is a leader in the distribution of laboratory products to health/industrial research and educational users, a recession-resistant market two-thirds consumables, with accelerating growth prospects.
- Share price has stalled as fully diluted estimates decline. Company's cash position of over $100 million earning 3.5% pretax hurts. Investments we believe FSH is actively pursuing will get shares moving again; reduce dilution.
- Management has received high marks from customers and suppliers. Entry into Europe, a larger market than the U.S., a big plus; more acquisitions likely; Europe could add 5 points per year to revenue growth over next 5 years.

FY: Dec	EPS	P/E	ROE
1992	$1.65	20.5	20.1%
1993E	1.89	17.9	18.3
1994E	2.10	16.1	17.1

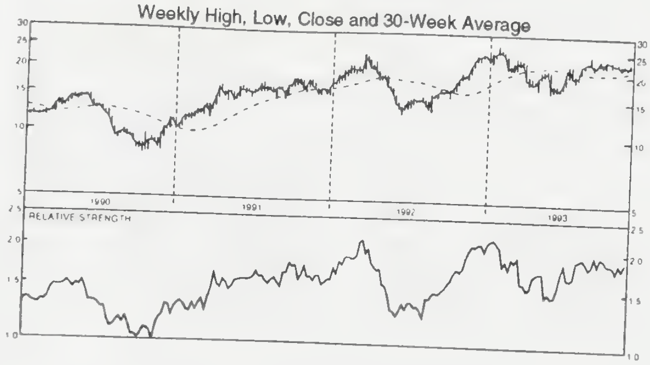
Relative	Current	5-Year Avg
ROE (1994E)	0.84	0.69
P/E (1994E)	1.08	NA
Price/book	1.21	0.54

Dividend	$0.10
Current yield	0.3%
5-year EPS growth (est.)	22%
Implied total return	22%
Debt-to-equity ratio	0.79:1
Book value per share	$10.88
Price change from 12/31/92	18.4%
Shares outstanding (mil.)	15.93
Market capitalization (bil.)	$0.54

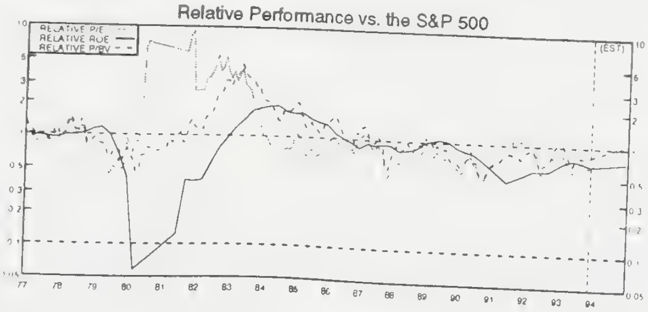
FLEETWOOD ENTERPRISES (FLE: 22⅞)#

Barbara K. Allen (212) 504-4373

Weekly High, Low, Close and 30-Week Average



Relative Performance vs. the S&P 500



Rating: Buy **Relative Return Projection:** Over 20%
Portfolio: V

Investment Statement: FLE, the country's largest manufactured housing and recreational vehicle (RV) producer, was made a *DLJ Buy* after a declining motor home backlog pushed the share price down from about $26 (all-time high) to the high teens.

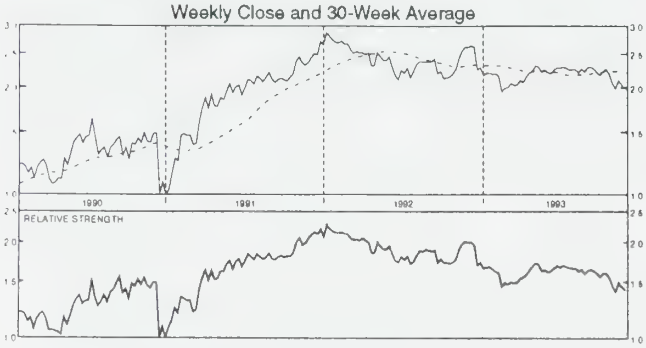
- Recent backlog trends are very positive, with impressive gains in the motor home division. As these backlogs turn into shipments, both the earnings and the share price should accelerate.
- Our target price is $30, based on a 14-16 multiple on our '95 EPS estimate.

FY: Apr	EPS	P/E	ROE
1992	$1.22	18.8	11.5%
1993E	1.50	15.3	13.0
1994E	1.90	12.0	15.0

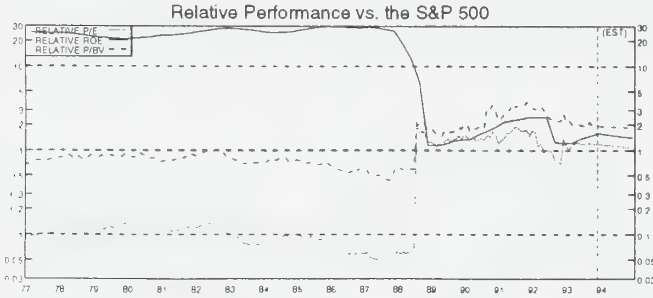
Relative	Current	5-Year Avg
ROE (1994E)	0.73	0.77
P/E (1994E)	0.81	0.76
Price/book	0.81	0.77

Dividend	$0.47
Current yield	2.1%
5-year EPS growth (est.)	15%
Implied total return	17%
Debt-to-equity ratio	0.60:1
Book value per share	$11.00
Price change from 12/31/92	(5.7)%
Shares outstanding (mil.)	45.17
Market capitalization (bil.)	$1.03

Weekly Close and 30-Week Average



Relative Performance vs. the S&P 500



Industry Rating: Favorable

Investment Statement: Highly fragmented $32-billion industry. Reduced Medicare prices forcing consolidation—in 5 years, we project there will only be 5 to 6 large highly profitable labs dominating market. Tremendous growth opportunities exist.

- Through gains in market share, internal grow and acquisition, leaders should achieve 15% annual sales growth over next 5 years.
- Outstanding incremental profitability of fixed-costs business offsets declining prices for high-volume efficient labs and will force small inefficient labs out.
- National Health positioned to benefit from industry consolidation. PCLI management taking advantage of growth opportunities in California. Unilab has solved its problems; not reflected in share price. Metpath continues to gain share; Damon a plus.

Valuation Methodology: Investors' concern about need to reduce cost of health care causes group to sell well below market despite prospects for 15% growth. As favorable economics of industry become apparent with volume growth and as Washington's desires are better defined, shares should move to important premium.

Relative Return Projection	Ticker	Company	Price Nov 26 1993	EPS			P/E Ratios		Return on Equity			Relative			Div'd Yield	5-year EPS Growth (est.)	Debt/ Equity	Book Value/ Share	Market Cap (bil.)	Price Change Since 12/31/92
				1992	1993E	1994E	1993E	1994E	1992	1993E	1994E	ROE 1994E	Price/ Book	P/E 1994E						
Over 20%	**FSH**	**FISHER SCIENTIFIC INTERNATIONAL**	**33 ¾**	**$1.65**	**$1.89**	**$2.10**	**17.9**	**16.1**	**20%**	**18%**	**17%**	**0.8**	**1.2**	**1.1**	**0.3%**	**22%**	**0.79**	**$10.88**	**$0.54**	**18%**
	NH	National Health Laboratory	12 ⅞	1.28	1.30	1.40	9.9	9.2	44	45	36	1.7	2.2	0.6	2.5	15	1.03	2.27	1.17	(47)
	PCLI	**PHYSICIANS CLINICAL LABORATORY**	**11 ⅝**	**0.51**	**0.72**	**0.88**	**16.1**	**13.2**	**25**	**22**	**22**	**1.1**	**1.4**	**0.9**	**0.0**	**25**	**2.57**	**3.32**	**0.07**	**(32)**
	SYB	Sybron Corp. (AB)	28 ½	0.98	1.25	1.82	22.8	15.7	16	24	29	1.4	2.1	1.0	0.0	20	2.29	5.41	0.62	27
	ULAB	Unilab CP	5 ⅜	(0.05)	0.20	0.50	26.9	10.8	(3)	12	24	1.2	7.7	0.7	0.0	15	10.38	0.27	0.27	(23)
+5% to +20%		None																		
-5% to +5%		None																		
Under -5%		None																		
		LABORATORY SERVICES		$1.13	$1.28	$1.53	16.4	12.4	28%	31%	29%	1.4	2.1	0.8	1.6%	18%	1.85			(14)%
		Overall DLJ Composite		$2.23	$2.94	$3.50	17.6	14.8	15%	16%	17%	0.8	1.0	1.0	2.6%	11%	1.40			10%
		S & P 500	463.06	24.50	26.25	31.00	17.6	14.9	20	19	20	1.0	1.0	1.0	2.7	9	1.51			6
		After Unusual Items		19.25	21.25	29.00	21.8	16.0	16	17	21	1.0	1.0	1.1	2.7	9	1.51			6
		S & P Industrials	535.87	26.50	27.75	33.50	19.3	16.0	21	20	22	1.1	1.2	1.1	2.4	9	1.14			6
		After Unusual Items		19.72	22.75	31.50	23.6	17.0	17	18	22	1.1	1.2	1.1	2.4	9	1.14			6

Fisher Scientific Int'l September 07, 1993 902U

NYSE Symbol FSH Options on CBOE (Jan-Apr-Jul-Oct)

Price	Range	P-E Ratio	Dividend	Yield	S&P Ranking	Beta
Aug. 30'93	1993					
34 7/8	35 1/4-26 3/4	19	0.08	0.2%	NR	NA

SUMMARY

This company is the largest supplier of scientific instruments, supplies and equipment in North America. Operations were expanded in December 1992 through acquisitions of the nation's largest manufacturer of laboratory furniture systems and of a majority interest in one of Germany's largest suppliers of scientific products. Foreign operations were expanded further through two July 1993 acquisitions.

BUSINESS SUMMARY

Fisher Scientific International is the oldest and largest supplier of instruments, supplies and equipment to the scientific community in North America. FSH provides over 100,000 scientific, educational, medical and government research and testing facilities with a selection of more than 100,000 products. The company's products fall into two basic categories: consumable laboratory supplies (such as test tubes, rubber gloves, chemicals, filters and other staples); and essential laboratory instruments and equipment (such as balances, centrifuges, microscopes, spectrophometers and safety equipment). Consumable supplies and specialty chemicals represent approximately two-thirds of sales, while instruments, supplies and equipment represent approximately one-third.

Fisher's market consists of four principal sectors: (i) scientific research and development activities conducted by chemical, environmental, biotechnology, pharmaceutical and other businesses; (ii) educational activities in research institutes, medical schools, universities, colleges, elementary and high schools; (iii) medical research and testing in hospitals, clinics, independent reference facilities and physicians' offices; and (iv) government research and testing conducted by federal, state and local government agencies.

Over 250,000 copies of The Fisher Catalog are published biannually, with special versions tailored to various growth markets such as environmental, biotechnology and safety. The Fisher Catalog is designed both as a buying guide to Fisher's products and as a reference providing product specifications and technical information to assist the scientist. Information on all 100,000 products offered in the Fisher Catalog can be obtained through Fisher RIMS, an electronic order entry system which provides paperless purchasing, receiving, billing and product distribution to the company's larger customers. Medium- and smaller-size customers are served by the Lightning system, which permits direct access to Fisher's on-line order-entry and information system.

In addition to supplying leading brands of instruments, supplies and

equipment, Fisher offers specialty chemicals, instruments and apparatus of its own manufacture. Approximately one-quarter of Fisher's sales are of products it manufactures.

IMPORTANT DEVELOPMENTS

Jul. '93: Fisher acquired majority interests in two leading European distributors of scientific supplies with combined annual sales of over $50 million. The company said that as a result of the acquisitions, together with the December 1992 acquisition of Kuhn & Bayer (over $21 million of annual sales), it is now one of the largest providers of scientific products in Germany.

Mar. '93: Fisher completed a public offering of $125 million of convertible subordinated notes, due 2003. The notes, which pay interest at 4 3/4% to March 1996 and at 6 1/2% thereafter, are convertible into Fisher common at $35.125 a share.

NEXT EARNINGS REPORT EXPECTED IN LATE OCTOBER.

PER SHARE DATA($)

Yr. End Dec. 31	1992(1)	1991	1990	1989
Tangible Bk. Val.	2.46	5.03	NA	NA
Cash Flow	2.46	1.26	(2)1.51	(2)0.70
Earnings	1.66	0.51	(2)0.82	(2)-0.04
Dividends	0.08	Nil	NA	NA
Payout Ratio	5%	Nil	NA	NA
Prices--High	31 1/4	15 1/2	NA	NA
Low	15 1/2	13 3/4	NA	NA
P/E Ratio--	19-9	30-27	NA	NA

(TABLE CONTINUED)

Yr. End Dec. 31	1988	1987	1986
Tangible Bk. Val.	NA	NA	NA
Cash Flow	(2)1.27	NA	NA
Earnings	(2)0.59	(2)0.34	(2)-6.05
Dividends	NA	NA	NA
Payout Ratio	NA	NA	NA
Prices--High	NA	NA	NA
Low	NA	NA	NA
P/E Ratio--	NA	NA	NA

*** NOTE: Data as orig. reptd.; prior to 1991 data as reptd. in prospectus dated Dec. 18, 1991. 1.Reflects merger or acquisition. 2. Based on 13.5 million shs. d-Deficit. NA-Not Available.

INCOME DATA(Million $)

Year Ended Dec. 31	Revs.	Oper. Inc.	% Oper. Inc. of Revs.	Cap. Exp.	Depr.	Int. Exp.
(1)1992	814	59.0	7.3	4.1	12.8	1.9
1991	758	49.2	6.5	3.0	11.2	3.4
1990	705	36.8	5.2	2.9	9.3	5.1
1989	700	14.7	2.1	3.6	10.0	4.3
1988	677	26.3	3.9	1.9	9.2	3.8
1987	625	NA	NA	NA	NA	NA
1986	587	NA	NA	NA	NA	NA

(TABLE CONTINUED)

Year Ended Dec. 31	Net Bef. Taxes	Eff. Tax Rate	Net Inc.	% Net Inc. of Revs.	Cash Flow
(1)1992	47	43.5%	27	3.3	40
1991	16	51.0%	(2)8	1.0	19
1990	23	50.7%	11	1.6	20
1989	1	142.9%	-1	NM	9
1988	16	50.6%	8	1.2	17
1987	NA	NA	5	0.7	NA
1986	NA	NA	-82	NM	NA

BALANCE SHEET DATA(Million $)

Dec. 31	Cash	Curr. Assets	Curr. Liab.	Curr. Ratio	Total Assets	% Ret. on Assets
1992	14.4	215	142	1.5	534	5.5
1991	28.5	206	115	1.8	420	1.9
1990	Nil	182	103	1.8	363	2.9
1989	Nil	209	79	2.6	390	NM
1988	NA	NA	NA	NA	365	2.2
1987	NA	NA	NA	NA	346	1.3
1986	NA	NA	NA	NA	345	NM

(TABLE CONTINUED)

Dec. 31	Long Term Debt	Common Equity	Total Cap.	% LT Debt of Cap.	% Ret. on Equity
1992	43.3	151	195	22.3	20.4
1991	26.3	105	131	20.0	6.4
1990	33.4	120	154	21.7	7.7
1989	38.7	167	206	18.8	NM
1988	35.2	138	174	20.3	5.9
1987	35.8	127	163	22.0	3.4
1986	4.8	145	150	3.2	NM

*** NOTE: Data as orig. reptd.; prior to 1991 data as reptd. in prospectus dated Dec. 18, 1991. 1.Reflects merger or acquisition. 2. Reflects accounting change. d-Deficit. NM-Not Meaningful. NA-Not Available.

SALES(Million $)

Quarter:	1993	1992	1991	1990
Mar.................	228.2	195.8	173.4	---
Jun.................	240.9	201.8	185.8	---
Sep.................		210.9	199.5	(1)528.1
Dec.................		205.3	199.0	176.7
		813.8	757.7	704.8

Sales for the six months ended June 30, 1993, rose 18%, year to year, reflecting continuing demand for the company's product lines. Lower gross margins were outweighed by declines in SG&A as a percentage of sales and net interest and other expense; pretax income gained 27%. After taxes at 43.6%, versus 44.1%, net income was up 28%, to $14.6 million ($0.89 a share), from $11.4 million ($0.73).

COMMON SHARE EARNINGS($)

Quarter:	1993	1992	1991	1990(2)
Mar.................	0.37	0.32	0.19	---
Jun.................	0.52	0.41	0.34	---
Sep.................		0.52	-0.31	(1)0.59
Dec.................		0.43	0.30	0.23
		1.66	0.51	0.82

FINANCES

In December 1992, the company acquired the Hamilton division of Hamilton Industries, Inc. for $90 million. Hamilton, the nation's largest manufacturer of laboratory furniture systems, had sales of $94 million in the fiscal year ended June 30, 1992.

In December 1992, Fisher entered into a $100 million credit agreement with a group of banks to provide funds for general corporate purposes, including acquisitions.

In a secondary public offering on March 18, 1992, 5,200,000 common shares were offered in the U.S. and Canada and 1,300,000 shares were offered outside the U.S. and Canada, at $21.875 each. All of the shares offered were being sold for The Henley Group, Inc., representing that company's entire interest in Fisher. An additional 975,000 shares were sold by Fisher to cover overallotments, resulting in net company proceeds of $20.5 million.

In the company's initial public offering on December 18, 1991, 8,500,000 common shares were sold at $14.50 each, including 1,500,000 sold for the company and 7,000,000 for The Henley Group, Inc., which retained a 43% interest (subsequently sold) in Fisher following the offering. Net company proceeds totaled about $20.1 million.

DIVIDEND DATA

Payments were initiated in 1992.

Amt. of Divd. $	Date Decl.	Ex-divd. Date	Stock of Record	Payment Date
0.02	Sep. 23	Oct. 1	Oct. 7	Oct. 21'92
0.02	Dec. 18	Dec. 22	Dec. 29	Jan. 6'93
0.02	Mar. 17	Mar. 29	Apr. 2	Apr. 16'93
0.02	Jun. 16	Jun. 25	Jul. 1	Jul. 15'93

CAPITALIZATION

Long Term Debt: $128,100,000 (3/93).

Common Stock: 15,989,000 shs. ($0.01 par).

Institutions hold 75%.

*** NOTE: 1.Nine months. 2.Pro forma. d-Deficit.

Office: Liberty Lane, Hampton, NH 03842.

Tel: (603) 929-2650.

Chrmn: M.D. Dingman.

Pres & CEO: P.M. Montrone.

SVP-CFO: P.M. Meister.

VP-Secy: M.A. Underberg.

Investor Contact: Norm Ritter.

Dirs: P.E. Beekman, M.D. Dingman, G.J. Lewis, E.A. Montgomery Jr., P.M. Montrone, T.P. Stafford.

Transfer Agent & Registrar: Mellon Bank, Pittsburgh.

Incorporated in Delaware in 1991.

Empl: 4,200.

By: Adam J. Penn

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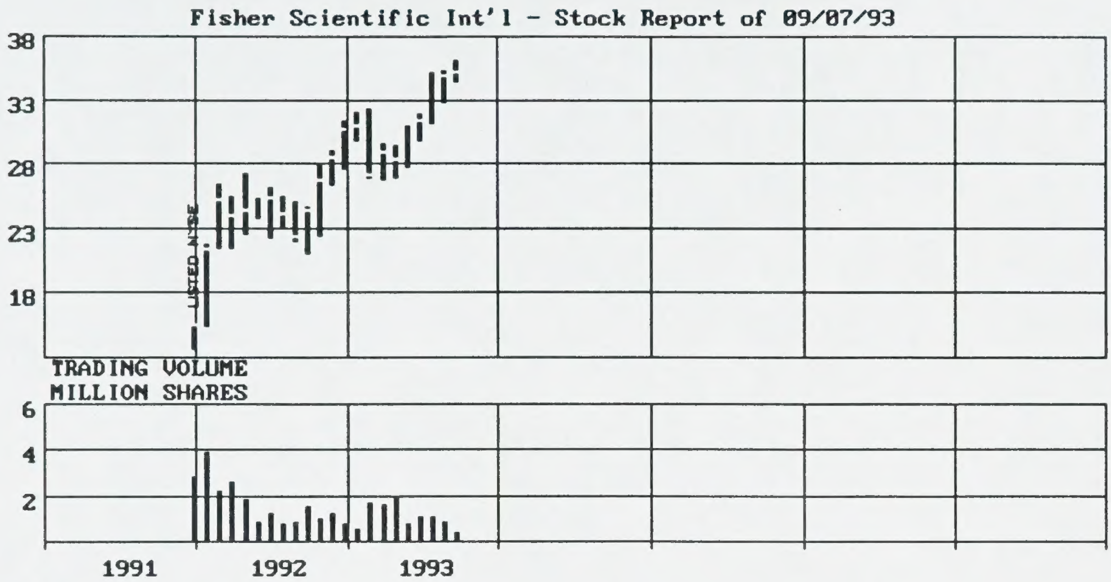
Fisher Scientific Int'l - Stock Report of 09/07/93
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