

CALIPER LIFE SCIENCES, INC.
SELECTED FINANCIAL INFORMATION
(In unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2007	2006	2007	2006
Revenue:				
Product revenue	\$ 28,175	\$ 23,739	\$ 82,961	\$ 69,248
Service revenue	9,513	8,088	37,557	24,454
License fees and contract revenue	<u>2,568</u>	<u>2,893</u>	<u>20,189</u>	<u>14,169</u>
Total revenue	40,256	34,720	140,707	107,871
Costs and expenses:				
Cost of product revenue	15,961	14,029	49,760	45,459
Cost of service revenue	5,756	5,184	22,357	14,917
Cost of license revenue	277	146	2,515	219
Research and development	5,702	6,542	24,791	24,591
Selling, general and administrative	15,642	13,630	54,954	43,570
Amortization of intangible assets	2,514	4,314	10,106	8,842
Restructuring charges, net	<u>22</u>	<u>161</u>	<u>52</u>	<u>258</u>
Total costs and expenses	<u>45,874</u>	<u>44,006</u>	<u>164,535</u>	<u>137,856</u>
Operating loss	(5,618)	(9,286)	(23,828)	(29,985)
Interest income (expense), net	(226)	8	(547)	478
Other income (expense), net	213	90	579	469
Benefit (provision) for income taxes	<u>(103)</u>	<u>301</u>	<u>(284)</u>	<u>104</u>
Net loss	<u>\$ (5,734)</u>	<u>\$ (8,887)</u>	<u>\$ (24,080)</u>	<u>\$ (28,934)</u>
Net loss per share, basic and diluted	\$ (0.12)	\$ (0.19)	\$ (0.51)	\$ (0.75)
Shares used in computing net loss per common share, basic and diluted	47,561	46,652	47,301	38,743

**CALIPER LIFE SCIENCES, INC.
SELECTED FINANCIAL INFORMATION**

**CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)**

	December 31,	
	2007	2006
	<i>(unaudited)</i>	<i>(Note 1)</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,709	\$ 11,634
Marketable securities	3,246	13,303
Accounts receivable, net	30,248	30,822
Inventories	19,572	18,758
Other current assets	2,353	2,273
Total current assets	71,128	76,790
Property and equipment, net	11,477	13,182
Intangible assets, net	42,862	52,806
Goodwill	80,836	80,776
Other assets	1,626	1,499
Total assets	\$ 207,929	\$ 225,053
Liabilities and stockholders' equity		
Current liabilities	\$ 45,391	\$ 49,938
Loans payable and other long-term obligations	21,352	17,706
Stockholders' equity	141,186	157,409
Total liabilities and stockholders' equity	\$ 207,929	\$ 225,053

Note (1): Derived from audited financial statements for the year ended December 31, 2006.

CALIPER LIFE SCIENCES, INC.
ADJUSTED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended							
	December 31, 2007				December 31, 2006			
	Reported	Stock-based Comp	Other Adjustments	Adjusted (1)	Reported	Stock-based Comp	Other Adjustments	Adjusted (1)
Revenues:								
Product revenue	(4) \$ 28,175	\$ -	\$ -	\$ 28,175	\$ 23,739	\$ -	\$ -	\$ 23,739
Service revenue	9,513	-	-	9,513	8,088	-	-	8,088
License fees and contract revenue	(4) 2,568	-	20	2,588	2,893	-	1,017	3,910
Total revenues	40,256	-	20	40,276	34,720	-	1,017	35,737
Cost and Expenses:								
Cost of product revenue	(2), (4) 15,961	(93)	-	15,868	14,029	(133)	-	13,896
Cost of service revenue	(2) 5,756	(22)	-	5,734	5,184	(40)	-	5,144
Cost of license revenue	(4) 277	-	-	277	146	-	95	241
Research and development	(2) 5,702	(212)	-	5,490	6,542	(252)	-	6,290
Selling, general and administrative	(2) 15,642	(865)	-	14,777	13,630	(1,068)	-	12,562
Amortization of intangible assets	(3) 2,514	-	(2,514)	-	4,314	-	(4,314)	-
Restructuring charges	(3) 22	-	(22)	-	161	-	(161)	-
Total costs and expenses	45,874	(1,192)	(2,536)	42,146	44,006	(1,493)	(4,380)	38,133
Operating loss	(5,618)	1,192	2,556	(1,870)	(9,286)	1,493	5,397	(2,396)
Interest income (expense), net	(226)	-	-	(226)	8	-	-	8
Other income, net	213	-	-	213	90	-	-	90
Benefit (provision) for income taxes	(6) (103)	-	-	(103)	301	-	(386)	(85)
Net income (loss)	\$ (5,734)	\$ 1,192	\$ 2,556	\$ (1,986)	\$ (8,887)	\$ 1,493	\$ 5,011	\$ (2,383)
Net income (loss) per share — basic and diluted	\$ (0.12)			\$ (0.04)	\$ (0.19)			\$ (0.05)
Shares used in computing net loss per share — basic and diluted	47,561			47,561	46,652			46,652

See accompanying Notes to Adjusted Consolidated Statements of Operations

CALIPER LIFE SCIENCES, INC.
ADJUSTED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended							
	December 31, 2007				December 31, 2006			
	Reported	Stock-based Comp	Other Adjustments	Adjusted (1)	Reported	Stock-based Comp	Other Adjustments	Adjusted (1)
Revenues:								
Product revenue	(4) \$ 82,961	\$ -	\$ -	\$ 82,961	\$ 69,248	\$ -	\$ 273	\$ 69,521
Service revenue	37,557	-	-	37,557	24,454	-	-	24,454
License fees and contract revenue	(4) 20,189	-	1,037	21,226	14,169	-	1,603	15,772
Total revenues	140,707	-	1,037	141,744	107,871	-	1,876	109,747
Cost and Expenses:								
Cost of product revenue	(2), (4) 49,760	-	(422)	49,338	45,459	-	(506)	44,962
Cost of service revenue	(2) 22,357	(121)	-	22,236	14,917	(151)	-	14,766
Cost of license revenue	(4) 2,515	-	138	2,653	219	-	149	368
Research and development	(2), (5) 24,791	(836)	-	23,955	24,591	(975)	(2,898)	20,718
Selling, general and administrative	(2) 54,954	(3,783)	-	51,171	43,570	(3,938)	-	39,632
Amortization of intangible assets	(3) 10,106	-	(10,106)	-	8,842	-	(8,842)	-
Restructuring charges	(3) 52	-	(52)	-	258	-	(258)	-
Total costs and expenses	164,535	(5,162)	(10,020)	149,353	137,856	(5,570)	(11,840)	120,446
Operating loss	(23,828)	5,162	11,057	(7,609)	(29,985)	5,570	13,716	(10,699)
Interest income, net	(547)	-	-	(547)	478	-	-	478
Other income, net	579	-	-	579	469	-	-	469
Provision for income taxes	(6) (284)	-	-	(284)	104	-	(386)	(282)
Net income (loss)	\$ (24,080)	\$ 5,162	\$ 11,057	\$ (7,861)	\$ (28,934)	\$ 5,570	\$ 13,330	\$ (10,034)
Net income (loss) per share — basic and diluted	\$ (0.51)			\$ (0.17)	\$ (0.75)			\$ (0.26)
Shares used in computing net loss per share — basic and diluted	47,301			47,301	38,743			38,743

Notes to Adjusted Consolidated Statements of Operations

(1) To supplement the financial results presented on a GAAP basis, the Company uses adjusted measures of gross profit margins, costs and expenses, net loss and net loss per share which are non-GAAP financial measures. Caliper's management uses these adjusted financial measures to gain an understanding of its comparative operating performance, and also in financial and operating decision-making because management believes they better reflect the underlying economics of Caliper's ongoing business. Management believes that comparisons of adjusted financial measures may be more meaningful because operating results presented under GAAP may include, from time to time, items that management believes are not necessarily relevant to understand Caliper's business. Caliper's management believes that these adjusted financial measures provide useful information to investors and others in understanding and evaluating Caliper's current operating performance and future prospects. The adjusted financial measures have limitations, however, because they do not include all items of income and expense that impact Caliper's operations. The adjusted measures exclude:

- a) Expense associated with the amortization of acquisition-related intangible assets, impairment of acquired intangible assets and in-process research and development. This exclusion allows comparisons of operating results that are consistent over time for both the Company's newly acquired and long-held business activities and with both acquisitive and non-acquisitive peers.
- b) Deferred revenue adjustments recorded in purchase accounting that reduce revenues that would otherwise be recognized on a continuing GAAP basis.
- c) Restructuring expense related reductions in force and costs to discontinue activities including idle capacity costs. The costs largely relate to restructuring activities associated with business combinations and are not indicative of the Company's normal operating costs.
- d) The Company adopted Statement of Financial Accounting Standards (SFAS) No. 123R on January 1, 2006, which requires non-cash stock compensation expense to be recorded when stock options and other stock-related awards vest. The Company is using the Modified-Prospective Transition method in its adoption of SFAS No. 123R and, as such, is not required to restate prior year results for the impact of stock-related awards expensing. The Company believes that available valuation methodologies and assumptions may result in estimates

that are misleading in the comparison of its financial results to previous periods or to its peers, and do not provide meaningful insight into the Company's ongoing operations.

- (2) Adjustment represents stock-based compensation expense.
- (3) Adjustment represents intangible asset amortization and impairment charges and restructuring activities related to business combinations.
- (4) Adjustment represents revenues and related costs that were recorded at fair value in accordance with the provisions of SFAS No. 141 and EITF No. 01-03. As a result, these amounts were excluded from the reported results on a GAAP basis, however, due to the fact they relate to purchase accounting, they have been added back on an Adjusted basis.
- (5) Adjustment represents in-process research and development charge related to the Xenogen acquisition.
- (6) Adjustment represents tax effect of intangible asset impairment charges.

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