APPLIED BIOSYSTEMS INC.
Form 425
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Subject Company: Applied Biosystems Inc.
Commission File No.: 001-04389

Invitrogen Files Merger Notification With European Commission

CARLSBAD, Calif. October 7, 2008 Invitrogen Corporation (NASDAQ:IVGN) today announced that it has filed the necessary formal notification to the European Commission with respect to its pending acquisition of Applied Biosystems Inc. (NYSE:ABI). Under European Commission rules, the Commission has 25 business days following the date of notification to respond to the filing.

The company continues to expect the transaction to close in November, subject to shareholder and European Commission approvals.

About Invitrogen

Invitrogen Corporation (NASDAQ:IVGN) provides products and services that support academic and government research institutions and pharmaceutical and biotech companies worldwide in their efforts to improve the human condition. The company provides essential life science technologies for disease research, drug discovery, and commercial bioproduction. Invitrogen s own research and development efforts are focused on breakthrough innovation in all major areas of biological discovery including functional genomics, proteomics, stem cells, cell therapy and cell biology placing Invitrogen s products in nearly every major laboratory in the world. Founded in 1987, Invitrogen is headquartered in Carlsbad, CA, and conducts business in more than 70 countries around the world. The company employs approximately 4,700 scientists and other professionals and had revenues of approximately $1.3 billion in 2007. For more information, visit www.invitrogen.com.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed transaction, Invitrogen and Applied Biosystems have filed a joint proxy statement/prospectus as part of a registration statement on Form S-4 regarding the proposed transaction with the Securities and Exchange Commission, or SEC. The final joint proxy statement/prospectus is being mailed to shareholders of both companies. Investors and security holders are urged to read it in its entirety because it contains important information about Invitrogen and Applied Biosystems and the proposed transaction. Investors and security holders may obtain a free copy of the definitive joint proxy statement/prospectus and other documents at the SEC s website at www.sec.gov. The definitive joint proxy statement/prospectus and other relevant documents may also be obtained free of charge from Invitrogen by directing such requests to: Invitrogen Corporation, Attention: Investor Relations, 5791 Van Allen Way, Carlsbad, CA 92008.

PARTICIPANTS IN THE SOLICITATION

Invitrogen and Applied Biosystems and their respective directors, executive officers and certain other members of their management and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information concerning all of the participants in the solicitation is included in the joint proxy statement/prospectus relating to the proposed merger. This document is available free of charge at the Securities and Exchange Commission s Web site at www.sec.gov and from: Invitrogen Investor Relations, telephone: (760) 603-7200 or on Invitrogen s website at www.invitrogen.com.

Safe Harbor Statement

Certain statements contained in this press release are considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and it is Invitrogen s intent that such statements be protected by the safe harbor created thereby. Potential risks and uncertainties include, but are not limited to: a) the result of the review of the proposed merger by various regulatory agencies, and any conditions imposed on the new company in connection with consummation of the merger; b) approval of the merger by the stockholders of Invitrogen and Applied Biosystems and satisfaction of various other conditions to the closing of the merger contemplated by the merger agreement; c) volatility of the financial markets and the availability of credit on acceptable terms; and d) the transaction may or may not close in November; as well as other risks and uncertainties detailed from time to time in Invitrogen s Securities and Exchange Commission filings.

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Times New Roman" SIZE="2">$1,574 $81,881

Held to maturity:

U.S. Treasury and federal agencies:

Mortgage-backed securities

$265 **$18** **$283** $413 $26 $439

Asset backed securities

31 **$2** **29** 64 $5 59

Non-U.S. debt securities:

Mortgage-backed securities

4,973 **87** **224** **4,836** 6,332 166 160 6,338

Asset-backed securities

436 **16** **3** **449** 646 18 3 661

Government securities

	3	**3**				
Other						
	172	**17**	**155**	208	2	206

Total non-U.S. debt securities	**5,584**	**103**	**244**	**5,443**	7,186	184	165	7,205

State and political subdivisions								
107	**3**		**110**	134	3		137	
Collateralized mortgage obligations								
3,334	**220**	**57**	**3,497**	4,452	328	44	4,736	

Total	**$9,321**	**$344**	**$303**	**$9,362**	$12,249	$541	$214	$12,576

(1) Substantially composed of securities guaranteed by the federal government with respect to the payment of principal and interest. Aggregate investment securities carried at $44.66 billion and $44.81 billion at December 31, 2011 and 2010, respectively, were designated as pledged for public and trust deposits, short-term borrowings and for other purposes as provided by law.

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The following table presents contractual maturities of debt investment securities as of December 31, 2011:

(In millions)	Under 1 Year	1 to 5 Years	6 to 10 Years	Over 10 Years
Available for sale:				
U.S. Treasury and federal agencies:				
Direct obligations	$ 1,200	$ 38	$ 822	$ 776
Mortgage-backed securities	5	755	10,871	18,390
Asset-backed securities:				
Student loans	155	3,331	8,490	4,569
Credit cards	1,893	5,893	2,701	
Sub-prime	581	82	17	724
Other	119	1,602	1,198	546
Total asset-backed securities	2,748	10,908	12,406	5,839
Non-U.S. debt securities:				
Mortgage-backed securities	474	2,358	987	7,056
Asset-backed securities	230	916	2,511	646
Government securities	1,671			
Other	1,636	958	231	
Total non-U.S. debt securities	4,011	4,232	3,729	7,702
State and political subdivisions	471	2,326	3,328	922
Collateralized mortgage obligations	81	1,163	1,209	1,527
Other U.S. debt securities	289	1,391	1,899	36
Total	$ 8,805	$ 20,813	$ 34,264	$ 35,192
Held to maturity:				
U.S. Treasury and federal agencies:				
Mortgage-backed securities		$ 19	$ 102	$ 144
Asset-backed securities				31
Non-U.S. debt securities:				
Mortgage-backed securities	$ 1,304	254		3,415
Asset-backed securities		204	217	15
Government securities	3			
Other		155		17
Total non-U.S. debt securities	1,307	613	217	3,447
State and political subdivisions	56	49	2	
Collateralized mortgage obligations	394	1,350	530	1,060
Total	$ 1,757	$ 2,031	$ 851	$ 4,682

The maturities of asset-backed securities, mortgage-backed securities and collateralized mortgage obligations are based on expected principal payments.

Impairment:

We conduct periodic reviews of individual securities to assess whether other-than-temporary impairment exists. Impairment exists when the current fair value of an individual security is below its amortized cost basis. When the decline in the security s fair value is deemed to be other than temporary, the loss is recorded in our consolidated statement of income. For debt securities available for sale and held to maturity, impairment is recorded in our consolidated statement of income when management intends to sell (or may be required to sell) the securities before they recover in value, or when management expects the present value of cash flows expected to be collected from the securities to be less than the amortized cost of the impaired security (a credit loss).

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Our review of impaired securities generally includes:

- the identification and evaluation of securities that have indications of possible other-than-temporary impairment, such as issuer-specific concerns, including deteriorating financial condition or bankruptcy;
- the analysis of expected future cash flows of securities, based on quantitative and qualitative factors;
- the analysis of the collectability of those future cash flows, including information about past events, current conditions and reasonable and supportable forecasts;
- the analysis of the underlying collateral for asset- and mortgage-backed securities;
- the analysis of individual impaired securities, including consideration of the length of time the security has been in an unrealized loss position, the anticipated recovery period, and the magnitude of the overall price decline;
- discussion and evaluation of factors or triggers that could cause individual securities to be deemed other-than- temporarily impaired and those that would not support other-than-temporary impairment; and
- documentation of the results of these analyses.

Factors considered in determining whether impairment is other than temporary include:

- the length of time the security has been impaired;
- the severity of the impairment;
- the cause of the impairment and the financial condition and near-term prospects of the issuer;
- activity in the market with respect to the issuer s securities, which may indicate adverse credit conditions; and
- our intention not to sell, and the likelihood that we will not be required to sell, the security for a period of time sufficient to allow for recovery in value.

The substantial majority of our investment securities portfolio is composed of debt securities. A critical component of the evaluation for other-than-temporary impairment of our debt securities is the identification of credit-impaired securities for which management does not expect to receive cash flows sufficient to recover the entire amortized cost basis of the security.

Debt securities that are not deemed to be credit-impaired are subject to additional management analysis to assess whether management intends to sell, or, more likely than not, would be required to sell, the security before the expected recovery to its amortized cost basis.

The following describes our process for identifying credit impairment in security types with the most significant unrealized losses as of December 31, 2011.

Mortgage- and Asset-Backed Securities

For certain vintages of U.S. mortgage-backed securities (in particular, sub-prime first-lien mortgages, Alt-A mortgages and home equity lines of credit (2006 and 2007 originations) that have significant unrealized losses as a percentage of their amortized cost), other-than-temporary impairment related to credit is assessed using cash flow models, tailored for each security, that estimate the future cash flows from the underlying mortgages, using the security-specific collateral and transaction structure. Estimates of future cash flows are subject to management judgment. The future cash flows and performance of our portfolio of U.S. mortgage-backed securities are a function of a number of factors, including, but not limited to, the condition of the U.S. economy, the condition of the U.S. residential mortgage markets, and the level of loan defaults, prepayments and loss severities. Management s estimates of future losses for each security also consider the underwriting and historical performance of our specific securities, the underlying collateral type, vintage, borrower profile, third-party guarantees, current levels of subordination, geography and other factors.

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The following tables present the parameters used in the evaluation of 2006- and 2007-vintage U.S. residential mortgage- backed securities as of December 31, 2011 and 2010:

	Sub-Prime ARM	Alt-A	Non-Agency Prime
December 31, 2011:			
Prepayment rate	**1-3%**	**2-6%**	**5-10%**
Cumulative loss estimates	**46-54**	**26-39**	**9-19**
Loss severity(1)	**70-72**	**59-61**	**52-53**
Peak-to-trough housing price decline(2)	**35**	**35**	**35**

	Sub-Prime ARM	Alt-A	Non-Agency Prime
December 31, 2010:			
Prepayment rate	2-3%	7%	7-10%
Cumulative loss estimates	33	21	13
Loss severity(1)	67	49	49
Peak-to-trough housing price decline(2)	35-40	35-40	35-40

(1) Loss severity rates consider the initial loan-to-value ratio, lien position, geography, expected collateral value and other factors.

(2) Management s expectation of the Case-Shiller National Home Price Index.

The following table presents other-than-temporary impairment recorded on securities in these vintages, when both fair value was below carrying value and a credit loss existed, for the years indicated:

(In millions)	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009(1)
Sub-prime ARM	**$ 2**	$ 26	$ 29
Alt-A	**5**	43	20
Non-agency prime	**5**	89	60
Total	**$ 12**	$ 158	$ 109

(1) Represents the period from April 1, 2009 through December 31, 2009, subsequent to the adoption of the revised GAAP related to other-than-temporary impairment.

Asset-Backed Securities Student Loans

Asset-backed securities collateralized by student loans are primarily composed of securities collateralized by Federal Family Education Loan Program, or FFELP, loans. FFELP loans benefit from a federal government guarantee of at least 97% of principal, with additional credit support provided in the form of overcollateralization, subordination and excess spread, which collectively total in excess of 100% of principal and interest. Accordingly, the vast majority of FFELP loan-backed securities are not exposed to traditional consumer credit risk. Our total exposure to private student loan-backed securities is less than $1.0 billion; our evaluation of impairment considers the impact of high unemployment rates on the collateral performance of private student loans. Other risk factors are considered in our evaluation of other-than-temporary impairment.

Non-U.S. Mortgage- and Asset-Backed Securities

Non-U.S. mortgage- and asset-backed securities are composed primarily of U.K., Dutch and Australian securities collateralized by residential mortgages. Our evaluation of impairment considers the location of the underlying collateral, collateral enhancement and structural features, expected credit losses under base-case and stressed conditions and the macroeconomic outlook for the country in which the collateral resides, including housing prices and unemployment. Where appropriate, any potential loss after consideration of the above-referenced factors is further evaluated to determine whether any other-than-temporary impairment exists.

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Our aggregate exposure to Spain, Italy, Ireland, Greece and Portugal totaled approximately $1.08 billion as of December 31, 2011. While we had no direct sovereign debt exposure to these countries, we had indirect exposure consisting of mortgage- and asset-backed securities, composed of $424 million in Spain, $373 million in Italy, $114 million in Ireland, $99 million in Greece and $69 million in Portugal. These securities had an aggregate pre-tax gross unrealized loss of approximately $122 million as of December 31, 2011. We recorded no other-than-temporary impairment on these securities in 2011. Our evaluation of potential other-than-temporary impairment of these securities assumes a negative baseline macroeconomic environment for this region, due to the continued sovereign debt crisis, and the combination of slower economic growth and continued government austerity measures. Our baseline view assumes a recessionary period characterized by higher unemployment and by additional house price declines between 5% and 15% across these five countries. Our evaluation of other-than-temporary impairment does not assume a disorderly sovereign debt restructuring or countries leaving the euro common currency, consistent with management s expectations. In addition, stress testing and sensitivity analysis is performed in order to understand the impact of more severe assumptions on potential other-than-temporary impairment.

State and Political Subdivisions

In assessing other-than-temporary impairment, we may from time to time rely on support from third-party financial guarantors for certain asset-backed and municipal (state and political subdivisions) securities. Factors taken into consideration when determining the level of support include the guarantor s credit rating and management s assessment of the guarantor s financial condition. For those guarantors that management deems to be under financial duress, we assume an immediate default by those guarantors, with a modest recovery of claimed amounts (up to 20%). In addition, for various forms of collateralized securities, management considers the liquidation value of the underlying collateral based on expected housing prices and other relevant factors.

The assumptions presented above are used by management to identify those securities which are subject to further analysis of potential credit losses. Additional analyses are performed using more severe assumptions to further evaluate sensitivity of losses relative to the above factors. However, since the assumptions are based on the unique characteristics of each security, management uses a range of point estimates for prepayment speeds and housing prices that reflect the collateral profile of the securities within each asset class. In addition, in measuring expected credit losses, the individual characteristics of each security are examined to determine whether any additional factors would increase or mitigate the expected loss. Once losses are determined, the timing of the loss will also affect the ultimate other-than-temporary impairment, since the loss is ultimately subject to a discount commensurate with the purchase yield of the security. Primarily as a result of rising delinquencies and management s continued expectation of declining housing prices, we recorded credit-related other-than- temporary impairment of $73 million in 2011.

After a review of the investment portfolio, taking into consideration current economic conditions, adverse situations that might affect our ability to fully collect principal and interest, the timing of future payments, the credit quality and performance of the collateral underlying asset-backed securities and other relevant factors, and excluding the securities for which other-than- temporary impairment was recorded in 2011, management considers the aggregate decline in fair value of the remaining securities and the resulting gross pre-tax unrealized losses of $1.96 billion related to 1,703 securities as of December 31, 2011 to be temporary and not the result of any material changes in the credit characteristics of the securities.

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The following tables present the aggregate fair values of investment securities with a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for longer than 12 months, as of the dates indicated:

December 31, 2011 (In millions)	**Less than 12 months** Fair Value	Gross Unrealized Losses	**12 months or longer** Fair Value	Gross Unrealized Losses	**Total** Fair Value	Gross Unrealized Losses
Available for sale:						
U.S. Treasury and federal agencies:						
Direct obligations	**$ 1,373**	**$ 1**			**$ 1,373**	**$ 1**
Mortgage-backed securities	**4,714**	**26**	**$ 370**	**$ 2**	**5,084**	**28**
Asset-backed securities:						
Student loans	**2,642**	**23**	**10,706**	**688**	**13,348**	**711**
Credit cards	**2,581**	**6**	**1,461**	**8**	**4,042**	**14**
Sub-prime	**16**	**1**	**1,360**	**446**	**1,376**	**447**
Other	**1,482**	**19**	**1,122**	**106**	**2,604**	**125**
Total asset-backed	**6,721**	**49**	**14,649**	**1,248**	**21,370**	**1,297**
Non-U.S. debt securities:						
Mortgage-backed securities	**6,069**	**55**	**1,151**	**52**	**7,220**	**107**
Asset-backed securities	**2,205**	**14**	**108**	**3**	**2,313**	**17**
Other	**1,543**	**13**			**1,543**	**13**
Total non-U.S. debt securities	**9,817**	**82**	**1,259**	**55**	**11,076**	**137**
State and political subdivisions	**171**	**3**	**1,446**	**118**	**1,617**	**121**
Collateralized mortgage obligations	**2,024**	**43**	**68**	**10**	**2,092**	**53**
Other U.S. debt securities	**220**	**2**	**57**	**13**	**277**	**15**
Total	**$ 25,040**	**$ 206**	**$ 17,849**	**$ 1,446**	**$ 42,889**	**$ 1,652**
Held to maturity:						
Asset-backed securities			**$ 29**	**$ 2**	**$ 29**	**$ 2**
Non-U.S. debt securities:						
Mortgage-backed securities	**$ 341**	**$ 6**	**1,382**	**218**	**1,723**	**224**
Asset-backed securities	**9**	**1**	**70**	**2**	**79**	**3**
Other			**138**	**17**	**138**	**17**
Total non U.S. debt securities	**350**	**7**	**1,590**	**237**	**1,840**	**244**
Collateralized mortgage obligations	**649**	**32**	**231**	**25**	**880**	**57**
Total	**$ 999**	**$ 39**	**$ 1,850**	**$ 264**	**$ 2,849**	**$ 303**

December 31, 2010 (In millions)	**Less than 12 months** Fair Value	Gross Unrealized Losses	**12 months or longer** Fair Value	Gross Unrealized Losses	**Total** Fair Value	Gross Unrealized Losses
Available for sale:						
U.S. Treasury and federal agencies:						
Direct obligations			$ 153	$ 2	$ 153	$ 2
Mortgage-backed securities	$ 6,639	$ 81	431	2	7,070	83
Asset-backed securities:						

Student loans	1,980	25	8,457	627	10,437	652
Credit cards	1,268	5	2,396	26	3,664	31
Sub-prime			1,769	346	1,769	346
Other	269	3	1,122	153	1,391	156