

BIO RAD LABORATORIES INC  
Form 424B3  
December 29, 2009  
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Filed pursuant to Rule 424(b)(3)  
Registration No. 333-163679

PROSPECTUS

**BIO-RAD LABORATORIES, INC.**

**OFFER TO EXCHANGE**

**\$300,000,000 principal amount of its**

**8.00% Senior Subordinated Notes due 2016**

**which have been registered under the Securities Act,**

**for any and all of its outstanding 8.00% Senior Subordinated Notes due 2016**

The exchange offer expires at 5:00 p.m., New York City time, on January 28, 2010, unless extended.

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of a new series of notes that are registered under the Securities Act.

The exchange offer is not subject to any conditions other than that it not violate applicable law or any applicable interpretation of the staff of the SEC.

You may withdraw tenders of outstanding notes at any time before the exchange offer expires.

The exchange of notes will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The terms of the new series of notes are substantially identical to the terms of the outstanding notes, except for transfer restrictions and registration rights relating to the outstanding notes.

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You may tender outstanding notes only in denominations of \$1,000 and integral multiples of \$1,000.

Our affiliates may not participate in the exchange offer.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities.

**Please refer to Supplemental Risk Factors beginning on page 12 of this prospectus and Risk Factors on page 29 of our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009, which is incorporated by reference herein, for a description of the risks you should consider when evaluating this investment.**

We are not making this exchange offer in any state where it is not permitted.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is December 29, 2009

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We have not authorized any dealer, salesperson or other people to give any information or to make any representations to you other than the information contained in this prospectus. You must not rely on any information or representations not contained in this prospectus as if we had authorized it. This prospectus does not offer to sell or solicit an offer to buy any securities other than the registered notes to which it relates, nor does it offer to buy any of these notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The information contained in this prospectus is current only as of the date on the cover page of this prospectus, and may change after that date.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to Bio-Rad Laboratories, Inc., 1000 Alfred Nobel Drive, Hercules, California 94547, Attention: Legal Department, or call (510) 724-7000 and ask to speak to someone in our Legal Department. In addition, to obtain timely delivery of any information you request, you must submit your request no later than January 21, 2010, which is five business days before the date the exchange offer expires.

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**DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS**

Other than statements of historical fact, statements made or incorporated by reference in this prospectus include forward-looking statements, such as statements with respect to Bio-Rad's future financial performance, operating results, plans and objectives that involve risk and uncertainties. Forward-looking statements generally can be identified by the use of forward-looking terminology such as, believe, expect, may, will, intend, estimate, continue, or similar expressions or the negative of those terms or expressions. Such statements involve risks and uncertainties, which could cause actual results to vary materially from those expressed in or indicated by the forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. However, actual results may differ materially from those currently anticipated depending on a variety of risk factors including among other things: changes in general domestic and worldwide economic conditions; our ability to successfully develop and market new products; our reliance on and access to necessary intellectual property; our ability to successfully integrate any acquired business; our substantial leverage and ability to service our debt; competition in and government regulation of the industries in which we operate; and the monetary policies of various countries. We caution you not to place undue reliance on forward-looking statements, which reflect an analysis only and speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by any federal securities laws.

See Supplemental Risk Factors in this prospectus and Risk Factors in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009, which is incorporated by reference herein, for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, we cannot assure you that the actual results or developments we anticipate will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, we caution prospective investors not to place undue reliance on such forward-looking statements.

**TRADEMARKS AND TRADE NAMES**

We own or have rights to trademarks, service marks, copyrights and trade names that we use in conjunction with the operation of our business. This prospectus and the information incorporated by reference herein also includes trademarks, service marks and trade names of other companies.

**MARKET DATA**

Market data used throughout this prospectus and in the information incorporated by reference herein, including information relating to our relative position in the industries we operate in, are based on the good faith estimates of management, which estimates are based upon their review of internal surveys, independent industry publications, reports or studies commissioned by companies in our industry (including us or our competitors) and other publicly available information. Although we believe that these sources are reliable, we do not guarantee the accuracy or completeness of this information, and we have not independently verified this information.

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**PROSPECTUS SUMMARY**

*As used in this prospectus, the terms Company, Bio-Rad, we, our, ours, and us refer to Bio-Rad Laboratories, Inc. and its subsidiaries, except in the section Description of Notes and where it is clear that such terms mean only Bio-Rad Laboratories, Inc. The following summary contains basic information about this offering. It likely does not contain all the information that is important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus and the documents incorporated by reference herein.*

*We will refer to the offering of the private notes as the private offering. Unless indicated otherwise, the term notes refers to both the private notes and the exchange notes.*

*Investors should carefully consider the information set forth under Supplemental Risk Factors in this prospectus and Risk Factors in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009, which is incorporated by reference herein. In addition, some statements include forward-looking information, which involves risks and uncertainties.*

**Our Company**

We are a multinational manufacturer and worldwide distributor of life science research and clinical diagnostics products and services. Our business is organized into two primary segments, Life Science and Clinical Diagnostics, with the mission to provide scientists with specialized tools needed for biological research and clinical diagnostics.

We believe we are the market leader in many of the product areas in which we compete, selling more than 8,000 products and services to a diverse client base comprised of scientific research, healthcare, industry, education and government customers worldwide. We manufacture and supply our customers with a range of reagents, apparatus and equipment to separate complex chemical and biological materials and to identify, analyze and purify components. Because our customers require standardization for their experiments and test results, we believe that approximately 70% of our revenue is considered recurring.

We continue to build upon our worldwide reputation for quality, innovative products and well-recognized brand names within our industry. Our reach is global, as we currently provide products and services to more than 85,000 customers in 130 countries worldwide. For the year ended December 31, 2008 and for the nine-month period ended September 30, 2009, we had net sales of \$1.8 billion and \$1.3 billion, respectively, and net income attributable to Bio-Rad of \$89.5 million and \$106.8 million, respectively.

Our Life Science segment and our Clinical Diagnostics segment generated 36% and 63%, respectively, of our net sales for the year ended December 31, 2008. We generated approximately 30% of our consolidated net sales for the year ended December 31, 2008 from U.S. sales and approximately 70% from sales in our remaining worldwide markets.

Our founders, David and Alice Schwartz, are still actively involved in the Company and have provided continuity of leadership and control since the Company was founded in 1952 and incorporated in 1957. Collectively, as of December 31, 2008, the Schwartz family owns approximately 16% of our Class A Common Stock and 89% of our Class B Common Stock.

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### ***Life Science Segment***

Our Life Science segment is at the forefront of discovery, creating advanced tools for biological exploration, biopharmaceutical production (the production of new medicines) and food diagnostic testing. We are a market leader in the life sciences market, developing, manufacturing and marketing a complete range of more than 5,000 life science consumables, apparatus and laboratory instruments, many of which are used in established research techniques, biopharmaceutical production processes and food testing regimes. These techniques are typically used to separate, purify and identify biological materials such as proteins, nucleic acids and bacteria within a laboratory or production setting. We focus on selected segments of the life sciences market in proteomics (the study of proteins), genomics (the study of genes), biopharmaceutical production, cell biology and food safety. We estimate that in 2008, the worldwide sales of products in these selected segments exceeded \$4.0 billion.

We are a leading player in many of the life science markets that we serve. We believe we rank first in sales in the electrophoresis and imaging products. We believe we are a leader in the total market for multi-plex immunoassay instruments and assays. In the area of amplification instrumentation, we believe we are a strong player in the combined market for thermocyclers and quantitative thermocyclers. In the gene transfer instrumentation market, we have the leading market position based on exclusive rights we possess with respect to key intellectual property. We believe we are one of the top three companies supplying ultra fast food diagnostics systems based on quantitative PCR technology.

Our principal life science customers include universities and medical schools, industrial research organizations, government agencies, pharmaceutical manufacturers, biotechnology researchers and food testing laboratories.

### ***Clinical Diagnostics Segment***

Our Clinical Diagnostics segment designs, manufactures, sells and supports test systems, informatics systems, test kits and specialized quality controls that serve clinical laboratories in the global diagnostics market.

We supply more than 3,000 different products that cover more than 300 clinical diagnostic tests to the specialty *in vitro* diagnostics ( IVD ) test market. We estimate that in 2008, the worldwide sales of the markets we serve were approximately \$10.0 billion. IVD tests are conducted outside the body and are used to identify and measure substances in a patient's tissue, blood or urine. Our products consist of reagents, instruments and software, typically provided to our customers as an integrated package to allow them to generate reproducible test results. Revenue in this business is highly recurring, as laboratories typically standardize test methodologies, which are dependent on a particular supplier's reagents and consumable products. An installed base of diagnostic test systems creates an ongoing source of revenue through the sale of test kits for each sample analyzed on an installed system.

Our products currently address specific niches within the specialty IVD test market, and we focus on the higher margin, higher growth segments of this specialty market. We are a significant player in multiple specialty diagnostics segments, and we believe that we have leading market positions in certain areas of the diagnostics market, including autoimmune disease testing, quality control products, blood virus detection, blood typing and long-term diabetes monitoring performed in laboratories.

Our principal clinical diagnostic customers include hospital laboratories, reference laboratories, transfusion laboratories and physician office laboratories.

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### **Our Competitive Strengths**

We believe we maintain the following competitive strengths:

***Leading Market Positions.*** Our well-recognized name, brands and our reputation for quality and reliability have allowed us to gain what we believe are leading market positions across many of our primary product segments. Our Life Science segment is a leading supplier of high-quality reagents, apparatus and instruments used for electrophoresis, chromatography, protein expression analysis, gene expression analysis, as well as food diagnostic kits that rapidly detect common pathogens found in fresh food. Our Clinical Diagnostics segment is a world leader in the supply of diagnostics for autoimmune disease and quality control. We are also a leading supplier of HIV diagnostics and blood typing.

***Largely Recurring Revenue Base.*** Historically, we have generated significant recurring revenue through (1) the supply of reagents and other consumables to our life science and clinical diagnostics customers; (2) our leading position in providing quality control systems; and (3) our focus on establishing long-term customer relationships. We believe that approximately 70% of our revenues are considered recurring, stemming primarily from sales of reagents and other consumables.

***Diversified Global Customer and Product Base.*** Our worldwide customer base includes (1) prominent university and research institutions affiliated with more than 100,000 scientists in the U.S. alone; (2) hospital, public health and commercial laboratories; (3) other leading diagnostic manufacturers; and (4) leading companies in the biotechnology, pharmaceutical, chemical and food industries. In 2008, no single customer accounted for more than 2% of our total net sales.

***Extensive Worldwide Direct Sales Force and Service Organization.*** We conduct our worldwide operations through an extensive direct sales force and service network, employing more than 1,000 sales and service people around the world. Our sales force typically consists of experienced industry practitioners with scientific training, and we maintain a separate specialist sales force for each of our segments. Our direct sales approach contrasts with the distributor approach used by some of our competitors, allowing us to sell a broader range of our products and have more direct contact with our customers.

***Long and Successful History of Commercialization.*** We have a long and successful history of introducing new products developed by our own research programs, and by individuals and entities with a desire to commercialize their research and know-how. We conduct extensive product research and development activities and employ approximately 790 personnel worldwide in these activities. Excluding in-process research and development, we spent \$159.5 million on research and development activities in 2008.

***Growth Opportunities.*** We believe the stable historic growth in research and development expenditures by our core customer base will continue, providing us the opportunity to grow our business. Within our Life Science Group, we believe we are well suited to take advantage of the trend of validating gene and protein expression pathways associated with specific cellular functions or disease. As more of the promising drugs moving from clinical trials into production are based on monoclonal antibodies, we believe our process chromatography is well positioned with a unique product that yields highly pure and active product at very large scales. We believe the Food Diagnostic segment is set to take advantage of consumers lessening tolerance for food borne illness, and with new rapid methods even fresh food can be tested prior to shipment. In addition, within our Clinical Diagnostics segment, we are focused on high-growth areas such as quality control systems, informatics and genetic disorders. We are among the leaders in infectious disease testing and we anticipate that we will benefit from further growth in this segment.

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***Highly Experienced Management Team.*** One of our key strengths is the depth and experience of our management team. Our founders, David and Alice Schwartz, are still actively involved in the Company and have provided continued leadership for over fifty years. Our officers have extensive industry expertise and average over 15 years of experience with the Company. Members of our management team have gained extensive international exposure by managing our overseas operations and those of other companies.

### ***Our Business Strategy***

Our objective is to continue to grow profitably through the research, development, sales and distribution of commercially useful and innovative products. We intend to continue to sell a diverse product line based on a broad range of technologies and to distribute these products globally. To achieve our objectives, we will:

***Leverage Our Expertise, Brand Recognition and High-Quality Reputation to Strengthen Our Leading Positions.*** Through our technical expertise and long history serving our markets, we have established recognized brand names and a reputation for high quality, reliable products and services. We believe that this combination provides us the opportunity to strengthen our leading positions in existing markets and to selectively enter related niche markets where we believe we can obtain a leading market position.

***Emphasize Recurring Revenues from Sales of Our Consumables.*** We intend to continue to pursue our strategy of emphasizing recurring revenues. We intend to accomplish this by (1) marketing and selling instruments that include a strong consumable use component and (2) supplying consumable reagents under long-term agreements and subscription or modular software products.

***Introduce New Products, Product Enhancements and Applications.*** Our research and development program, consisting of approximately 790 personnel, is focused on the commercialization of new life science research and diagnostic techniques, especially in the high-growth fields of proteomics, genomics and specialty diagnostics. In addition to our own research and development, we benefit from our relationships with our customers, such as universities, who provide us with access to a variety of opportunities to commercialize their scientific research.

***Pursue Tactical Acquisitions.*** We have pursued tactical acquisitions which have allowed us to expand our product lines on a cost-effective basis. We typically target niche companies with proven technology and established brand names that are complementary to our existing product portfolio in order to fill in or expand product offerings in markets in which we have already established ourselves as a market leader, or to enter related markets in which we believe we could be a market leader. On October 23, 2009, we announced a definitive agreement to acquire certain diagnostic businesses of Biotest AG, and we are evaluating a number of acquisitions on a preliminary basis, but it is not certain that any of these transactions will be completed or advance beyond the preliminary stages. In addition, we continue to examine our existing businesses with a view to optimizing our growth and profitability objectives, and as a result, we may divest certain non-strategic assets.

***Maximize Our Operating Efficiencies.*** We are constantly evaluating ways to increase our operating efficiencies by reviewing and improving our manufacturing, distribution and administrative processes. In addition, the natural interplay between life science research and commercialization of clinical diagnostics test systems, combined with the proximity in which our scientists in both these segments work, provide us with additional operating efficiencies and business opportunities.

Our principal executive offices are located at 1000 Alfred Nobel Drive, Hercules, California 94547. Our telephone number is (510) 724-7000.





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### **The Exchange Offer**

The Exchange Offer	We are offering to exchange the exchange notes (the "exchange notes") for the outstanding private notes (the "private notes") that are properly tendered and accepted. You may tender outstanding private notes only in denominations of \$1,000 and integral multiples of \$1,000. We will issue the exchange notes on or promptly after the exchange offer expires. As of the date of this prospectus, \$300,000,000 principal amount of private notes is outstanding.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on January 28, 2010, (the 21st business day following commencement of the exchange offer), unless extended, in which case the expiration date will mean the latest date and time to which we extend the exchange offer.
Conditions to the Exchange Offer	The exchange offer is not subject to any condition other than that it not violate applicable law or any applicable interpretation of the staff of the Securities and Exchange Commission (the "SEC"). The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange.
Procedures for Tendering Private Notes	<p>If you wish to tender your private notes for exchange notes pursuant to the exchange offer you must:</p> <p>if you hold the private notes through The Depository Trust Company ("DTC"), comply with the Automated Tender Offer Program procedures of DTC, and the Exchange Agent (as defined below) must receive a timely confirmation of a book-entry transfer of the private notes into its account at DTC pursuant to the procedures for book-entry transfer described herein, along with a properly transmitted agent's message, before the expiration date; or</p> <p>if you hold private notes through Euroclear Bank S.A./N.V. ("Euroclear") or Clearstream Banking, S.A. ("Clearstream"), comply with the procedures of Euroclear or Clearstream, as applicable, before the expiration date.</p>
By tendering the private notes pursuant to the exchange offer, you will make the representations to us described under "The Exchange Offer Procedures for Tendering."	
Acceptance of the Private Notes and Delivery of the Exchange Notes	Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all private notes which are validly tendered in the exchange offer and not withdrawn before 5:00 p.m., New York City time, on the expiration date.
Withdrawal Rights	You may withdraw the tender of your private notes at any time before 5:00 p.m., New York City time, on the expiration date, by complying



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with the procedures for withdrawal described in this prospectus under the heading "The Exchange Offer - Withdrawal of Tenders."

**Material U.S. Federal Tax Considerations**

The exchange of notes will not be a taxable event for U.S. federal income tax purposes. For a discussion of certain material U.S. federal income tax considerations relating to the exchange, ownership and disposition of notes, see "Certain U.S. Federal Income Tax Consequences."

**Exchange Agent**

Wells Fargo Bank, National Association, the trustee under the indenture governing the notes, is serving as the exchange agent for the notes (the "Exchange Agent").

**Consequences of Failure to Exchange**

If you do not exchange your private notes for exchange notes, you will continue to be subject to the restrictions on transfer provided in the private notes and in the indenture governing the private notes. In general, the private notes may not be offered or sold, unless registered under the Securities Act of 1933, as amended (the "Securities Act"), except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the private notes under the Securities Act.

**Registration Rights Agreement**

You are entitled to exchange your private notes for exchange notes with substantially identical terms. This exchange offer satisfies this right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your private notes.

We explain the exchange offer in greater detail beginning on page 15.

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### **The Exchange Notes**

*The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes.*

*The form and terms of the exchange notes are the same as the form and terms of the private notes, except that the exchange notes will be registered under the Securities Act and, therefore, the exchange notes will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the private notes. The exchange notes will evidence the same debt as the private notes, and both the private notes and the exchange notes are governed by the same indenture.*

Issuer	Bio-Rad Laboratories, Inc.
Notes Offered	\$300.0 million aggregate principal amount of 8.00% Senior Subordinated Notes due 2016.
Maturity Date	September 15, 2016.
Interest Payment Dates	March 15 and September 15 of each year.
Optional Redemption	<p>We may redeem all or a portion of the notes prior to September 15, 2013 at a price equal to 100% of the principal amount of the notes plus a make-whole premium as set forth in Description of Notes Redemption Optional Redemption. In addition, we may redeem the notes, in whole or in part, at our option at any time on or after September 15, 2013 at the redemption prices listed in Description of Notes Redemption Optional Redemption.</p> <p>On or before September 15, 2012, we may, at our option and subject to certain requirements, use the net proceeds from one or more qualified equity offerings to redeem up to 35% of the original aggregate principal amount of the notes at 108.000% of the principal amount of the notes, plus accrued and unpaid interest. See Description of Notes Redemption Optional Redemption.</p>
Sinking Fund	None.
Subordination	<p>The notes rank junior to all of our existing and future senior indebtedness, including any indebtedness outstanding from time to time under our credit facility, rank <i>pari passu</i> with our existing and future senior subordinated indebtedness, including our \$425.0 million of existing senior subordinated notes, and rank senior to our existing and future indebtedness that is expressly subordinated to the notes. See Description of Notes Subordination.</p> <p>As of September 30, 2009, the notes were subordinated in right of payment to \$10.4 million of our outstanding indebtedness. The notes, however, are effectively subordinated to all existing and future indebtedness of our subsidiaries that are not guarantors, which, as of September 30, 2009, was \$13.7 million.</p>



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### Future Guarantees

None of our subsidiaries were guarantors upon issuance of the private notes. The indenture governing the notes requires all of our existing and future domestic subsidiaries (other than immaterial domestic subsidiaries, as defined for purposes of the guarantee provisions of the indenture) to guarantee the notes on a senior subordinated basis. As of the date hereof, all of our domestic subsidiaries are immaterial subsidiaries. The notes are therefore not currently guaranteed by any of our subsidiaries. Our foreign subsidiaries are not required to guarantee the notes. For more details, see the section [Description of Notes](#) under the heading [Certain Covenants](#) [Future Guarantors](#).

### Change of Control

If we experience a change of control, we may be required to make an offer to purchase the notes at 101% of their principal amount, plus accrued and unpaid interest. See [Description of Notes](#) [Certain Covenants](#) [Repurchase of Notes at the Option of the Holder Upon a Change of Control](#).

### Certain Covenants

The indenture governing the notes contains certain covenants that, among other things, limit our ability and the ability of our subsidiaries to:

incur additional debt;

create liens;

make investments;

enter into transactions with affiliates;

sell assets;

in the case of some of our subsidiaries, guarantee debt;

incur debt that is expressly senior to the notes and subordinate to any of our other debt;

declare or pay dividends, redeem stock or make other distributions to shareholders; and

consolidate or merge.

These covenants are subject to a number of important qualifications and limitations. See [Description of Notes](#).

At any time the notes are assigned investment grade ratings from both Standard & Poor's Rating Service and Moody's Investors Service, Inc., and no event of default (as defined for purposes of the indenture) has occurred and is continuing, some of the covenants described above will not apply (even if the notes subsequently cease to have investment grade ratings).

Original Issue Discount

The notes were issued with original issue discount for U.S. federal income tax purposes. Thus, U.S. Holders will be required to include such original issue discount in their income as it accrues for U.S. federal income tax purposes in advance of receipt of any



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payment on the notes to which the income is attributable. See Certain U.S. Federal  
Income Tax Consequences Consequences to U.S. Holders Original Issue Discount.

**Use of Proceeds**

We will not receive any cash proceeds from the exchange offer.

We explain the exchange notes in greater detail beginning on page 28.

**Risk Factors**

You should carefully consider all of the information in this prospectus. In particular, for a discussion of some specific factors that you should consider in evaluating an investment in the notes, see Supplemental Risk Factors beginning on page 12 of this prospectus and Risk Factors beginning on page 29 of our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009, which is incorporated by reference herein.

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The selected consolidated financial data of Bio-Rad presented below relates to each of the five years in the period ended December 31, 2008.

The financial data for each of the five years in the period ended December 31, 2008 were derived from Bio-Rad's audited consolidated financial statements. For more information see the audited consolidated financial statements for the year ended December 31, 2008 in our Current Report on Form 8-K, dated May 18, 2009, which is incorporated by reference herein.

	<b>Year Ended December 31,</b>				
	<b>2008</b>	<b>2007<sup>(2)</sup></b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Net sales	\$ 1,764,365	\$ 1,461,052	\$ 1,273,930	\$ 1,180,985	\$ 1,090,012
Cost of goods sold	801,843	669,690	561,394	534,499	479,939
Gross profit	962,522	791,362	712,536	646,486	610,073
Selling, general and administrative expense	591,304	507,978	438,949	416,084	378,264
Product research and development expense	159,518	140,535	123,376	115,104	108,344
Purchased in-process research and development expense		7,656	4,100		14,620
Impairment losses on goodwill and long-lived assets	28,757			19,770	
Interest expense	32,113	31,606	32,022	32,643	20,219
Foreign exchange (gains) losses	7,634	2,576	1,053	(1,528)	2,394
Other (income) and expense, net <sup>(1)</sup>	353	(19,832)	(28,991)	(28,958)	(11,095)
Income from continuing operations before taxes and noncontrolling interests	142,843	120,843	142,027	93,371	97,327
Provision for income taxes	(44,579)	(26,548)	(38,764)	(15,792)	(31,035)
Net income attributable to noncontrolling interests	(8,754)	(1,301)			
Income from continuing operations	89,510	92,994	103,263	77,579	66,292
Discontinued operations:					
Loss from discontinued operations (net of tax)					(1,487)
Gain on divestiture (net of tax)				3,974	3,437
Total income from discontinued operations				3,974	1,950
Net income attributable to Bio-Rad	\$ 89,510	\$ 92,994	\$ 103,263	\$ 81,553	\$ 68,242
Basic earnings per share:					
Continuing operations	\$ 3.30	\$ 3.48	\$ 3.92	\$ 2.98	\$ 2.58
Discontinued operations				0.15	0.07
Basic earnings per share	\$ 3.30	\$ 3.48	\$ 3.92	\$ 3.13	\$ 2.65
Diluted earnings per share:					
Continuing operations	\$ 3.24	\$ 3.41	\$ 3.83	\$ 2.91	\$ 2.51
Discontinued operations				0.15	0.07
Diluted earnings per share	\$ 3.24	\$ 3.41	\$ 3.83	\$ 3.06	\$ 2.58
Cash dividends paid per common share					
Total assets	\$ 2,037,264	\$ 1,971,594	\$ 1,596,168	\$ 1,426,582	\$ 1,371,618

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Long-term debt, net of current maturities	\$ 445,979	\$ 441,805	\$ 425,625	\$ 425,687	\$ 425,979
Ratio of earnings to fixed charges <sup>(3)</sup>	4.0x	3.8x	4.4x	3.2x	4.4x

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- (1) See Note 10 to the consolidated financial statements in our Current Report on Form 8-K, dated May 18, 2009, for the year ended December 31, 2008 for components of Other income, net. Included in 2005 is interest and investment income of \$16.7 million, gains on sales of investments of \$11.2 million and litigation expense of \$1.2 million. Included in 2006 is interest and investment income of \$22.2 million and gains on sales of investments of \$4.7 million. Included in 2007 is interest and investment income of \$21.5 million offset by a \$3.6 million write-down of investments. Included in 2008 is interest and investment income of \$10.6 million offset by a \$9.6 million other-than-temporary impairment on investments.
- (2) Included in 2007 are the fourth quarter operating results of an acquisition. See Note 2 to the consolidated financial statements in our Current Report on Form 8-K, dated May 18, 2009, for the year ended December 31, 2008.
- (3) For purposes of determining the ratio of earnings to fixed charges, earnings consist of income before taxes and noncontrolling interests, noncontrolling interests in pre-tax (income) loss that have not incurred fixed charges, amortization of capitalized interest and fixed charges. Fixed charges consist of interest expense (including interest costs capitalized), amortization of debt premium/discount and expense and a portion of rental expense deemed to be representative of the interest factor.

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### **SUPPLEMENTAL RISK FACTORS**

*You should carefully consider the supplemental risk factors set forth below in addition to the risk factors set forth under **Risk Factors** in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009, which is incorporated by reference herein, as well as the other information contained in or incorporated by reference into this prospectus before making a decision to exchange your private notes for exchange notes in the exchange offer. The risk factors set forth below are generally applicable to the private notes as well as the exchange notes. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently deem to be immaterial may also materially and adversely affect our business, financial condition or results of operations.*

#### **Risks Related to the Notes**

***If you do not exchange your notes pursuant to this exchange offer, you may never be able to sell your notes.***

It may be difficult for you to sell notes that are not exchanged in the exchange offer. Those notes may not be offered or sold unless they are registered and there are exemptions from the registration requirements under the Securities Act and applicable state securities laws.

If you do not tender your private notes or if we do not accept some of your private notes, those notes will continue to be subject to the transfer and exchange restrictions in:

the indenture;

the legend on the private notes; and

the offering circular relating to the private notes.

The restrictions on transfer of your private notes arise because we issued the private notes pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the private notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold pursuant to an exemption from such requirements. We do not intend to register the private notes under the Securities Act. To the extent private notes are tendered and accepted in the exchange offer, the trading market, if any, for the private notes would be adversely affected.

***The notes are unsecured and subordinated to our senior debt.***

The notes rank junior in right of payment to all of our existing and future senior debt, including any indebtedness outstanding from time to time under our credit facility. Our senior debt includes all debt that is not expressly subordinated to or ranked *pari passu* with the notes, subject to certain exceptions. The indenture governing the notes requires all of our existing and future domestic subsidiaries (other than immaterial domestic subsidiaries, as defined for purposes of the guarantee provisions of the indenture) to guarantee the notes on a senior subordinated basis. As of the date hereof, all of our domestic subsidiaries are immaterial subsidiaries. The private notes were not guaranteed by any of our subsidiaries on the date the private notes were issued, and we expect that the exchange notes will not be guaranteed by any of our subsidiaries on the date the exchange notes are issued. Our foreign subsidiaries are not required to guarantee the notes. Any such future guarantees, if any, will be subordinated to all existing and future obligations and liabilities of the guarantors that rank senior to the guarantees. In addition, the notes are not secured by any of our assets or any assets of our subsidiaries. As a result, the notes are effectively subordinated to all of our and our subsidiaries' secured indebtedness to the extent of the value of the assets securing such indebtedness. As of September 30, 2009, the notes were subordinated in right of payment to \$10.4 million of our outstanding indebtedness.

In addition, the notes are effectively subordinated to all existing and future indebtedness of our subsidiaries that are not guarantors, which, as of September 30, 2009 was \$13.7 million.

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You may not be fully repaid on your notes if we or any future guarantor are declared bankrupt, become insolvent, are liquidated or reorganized, default on payment under senior debt or commit a default causing the acceleration of the maturity of our debt. In such a case, holders of any debt that ranks senior to the notes will be entitled to be paid in full from our assets and the assets of our subsidiaries before any payment may be made with respect to the notes or the guarantees. As a result, we may not have sufficient assets to fully repay the notes. An event of default under our senior debt also may prohibit us and any future guarantors of the notes from paying the obligations under the notes or the guarantees.

### ***Our ability to repay the notes and other debt depends in part on cash flow from our subsidiaries.***

Substantially all of our active subsidiaries operate overseas. Our foreign subsidiaries generated approximately 70% of our net sales in the year ended December 31, 2008, and held approximately 54% of our consolidated assets as of September 30, 2009. Consequently, we depend in part on distributions or other intercompany transfers of funds from our subsidiaries to meet our debt service and other obligations, including with respect to the notes. Our subsidiaries are not obligated to make funds available to us for payment on the notes, so long as they do not become guarantors. In addition, distributions and intercompany transfers to us from our subsidiaries will depend on:

their earnings;

covenants contained in their debt agreements;

covenants contained in other agreements to which our subsidiaries are or may become subject;

business and tax considerations; and

applicable law.

We cannot assure you that the operating results of our subsidiaries at any given time will be sufficient to make distributions or other payments to us and that these distributions and/or payments will be adequate to pay principal and interest on the notes when due. In addition, our rights and the rights of our creditors, including holders of the notes, to participate in the assets of any of our subsidiaries that are not guarantors upon their liquidation or recapitalization will generally be subject to the prior claims of the subsidiaries' creditors.

Our existing credit facility grants to the lenders security interests in the capital stock of certain of our subsidiaries. As a result, if an event of default occurs under our credit facility, the lenders would be able to exercise certain remedies with respect to that capital stock which would have the effect of giving the lenders control over those subsidiaries and their assets.

### ***We may be unable to purchase the notes upon a change in control.***

Upon the occurrence of a change of control, as defined in the indenture governing the notes, we are required to offer to purchase the notes in cash at a price equal to 101% of the principal amount of the notes, plus accrued interest and unpaid liquidated damages, if any. A change in control may constitute an event of default and may trigger similar rights under our other indebtedness, including our 7.50% Senior Subordinated Notes due 2013 and 6.125% Senior Subordinated Notes due 2014, which we collectively refer to as our Existing Notes, then outstanding. In the event of a change in control, we may not have sufficient funds to purchase all of the notes, the Existing Notes and to repay the amounts outstanding under our credit facilities or other indebtedness. Further, payment of the purchase price of the notes will be subordinated to the prior payment of our senior indebtedness.

### ***There is no public market for the notes, and we cannot be sure that a market for the notes will develop.***

The exchange notes are a new issue of securities for which there is no active trading market. The initial purchaser of the private notes has advised us that it presently intends to make a market in the exchange notes as permitted by applicable law. The initial purchaser is not obligated, however, to make a market in the exchange



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notes and any such market-making may be discontinued at any time at the sole discretion of the initial purchaser. In addition, the liquidity of the trading market in the notes and the market prices quoted for the notes may be adversely affected by changes in the overall market for high-yield securities. As a result, you cannot be sure that an active trading market will develop for the exchange notes.

***Volatile trading prices may require you to hold the notes for an indefinite period of time.***

If a market develops for the exchange notes, the exchange notes might trade at prices higher or lower than the initial offering price of the private notes. The trading price would depend on many factors, such as prevailing interest rates, the market for similar securities, general economic conditions and our financial condition, performance and prospects. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial fluctuation in the prices of these securities. The market for the exchange notes may be subject to such disruptions, which could have an adverse effect on the price of the exchange notes. You should be aware that you may be required to bear the financial risk of an investment in the notes for an indefinite period of time.

***The notes were issued with original issue discount for U.S. federal income tax purposes.***

The notes were issued with original issue discount for U.S. federal income tax purposes. Thus, U.S. Holders will be required to include such original issue discount in their income as it accrues for U.S. federal income tax purposes in advance of receipt of any payment on the notes to which the income is attributable. See Certain U.S. Federal Income Tax Consequences Consequences to U.S. Holders Original Issue Discount.

***Bankruptcy considerations related to the original issue discount If a bankruptcy petition were filed by or against us, holders of the notes may receive a lesser amount for their claim than they would have been entitled to receive under the indenture governing the notes.***

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the issuance of the notes, the claim by any holder of the notes for the principal amount of the notes may be limited to an amount equal to the sum of:

the original issue price for the notes; and

that portion of the original issue discount that does not constitute unmatured interest for purposes of the U.S. Bankruptcy Code. Any original issue discount that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest. Accordingly, holders of the notes under these circumstances may receive a lesser amount than they would be entitled to under the terms of the indenture governing the notes, even if sufficient funds are available.



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### **THE EXCHANGE OFFER**

#### **Purpose of the Exchange Offer**

We issued \$300.0 million of the private notes on May 26, 2009 to Credit Suisse Securities (USA) LLC, the initial purchaser, pursuant to a purchase agreement. The initial purchaser subsequently sold the private notes to qualified institutional buyers, as defined in Rule 144A under the Securities Act, in reliance on Rule 144A, and outside the United States under Regulation S of the Securities Act. As a condition to the sale of the private notes, we entered into a registration rights agreement with the initial purchaser on May 26, 2009. Pursuant to the registration rights agreement, we agreed that we would:

- (1) file an exchange offer registration statement with the SEC on or prior to January 11, 2010;
- (2) use our reasonable best efforts to have the exchange offer registration statement declared effective by the SEC on or prior to April 11, 2010;
- (3) keep the exchange offer open for a period of not less than the minimum period required under applicable law, but in no event for less than 20 business days; and
- (4) consummate the exchange offer within 45 days after the exchange offer registration statement is declared effective.

Upon the effectiveness of the exchange offer registration statement, we will offer the exchange notes in exchange for the private notes. A copy of the registration rights agreement is filed as an exhibit to the registration statement of which this prospectus forms a part.

#### **Resale of the Exchange Notes**

Based upon an interpretation by the staff of the SEC contained in no-action letters issued to third parties, we believe that you may exchange private notes for exchange notes in the ordinary course of business. For further information on the SEC's position, see *Exxon Capital Holdings Corporation*, available May 13, 1988, *Morgan Stanley & Co. Incorporated*, available June 5, 1991 and *Shearman & Sterling*, available July 2, 1993, and other interpretive letters to similar effect. You will be allowed to resell exchange notes to the public without further registration under the Securities Act and without delivering to purchasers of the exchange notes a prospectus that satisfies the requirements of Section 10 of the Securities Act so long as you do not participate, do not intend to participate, and have no arrangement with any person to participate, in a distribution of the exchange notes. However, the foregoing does not apply to you if you are: a broker-dealer who purchased the exchange notes directly from us to resell pursuant to Rule 144A or any other available exemption under the Securities Act; or you are an affiliate of ours within the meaning of Rule 405 under the Securities Act.

In addition, if you are a broker-dealer, or you acquire exchange notes in the exchange offer for the purpose of distributing or participating in the distribution of the exchange notes, you cannot rely on the position of the staff of the SEC contained in the no-action letters mentioned above and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction, unless an exemption from registration is otherwise available.

Each broker-dealer that receives exchange notes for its own account in exchange for private notes, which the broker-dealer acquired as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. The letter of transmittal for use in connection with any such resale will state that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. A broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of exchange notes received in exchange for private notes which the broker-dealer acquired as a result of market-making or other trading activities.

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### **Terms of the Exchange Offer**

Upon the terms and subject to the conditions described in this prospectus, we will accept any and all private notes validly tendered and not withdrawn before the expiration date. We will issue \$1,000 principal amount of exchange notes in exchange for each \$1,000 principal amount of outstanding private notes surrendered pursuant to the exchange offer. You may tender private notes only in integral multiples of \$1,000.

The form and terms of the exchange notes are the same as the form and terms of the private notes except that:

we will register the exchange notes under the Securities Act and, therefore, the exchange notes will not bear legends restricting their transfer; and

holders of the exchange notes will not be entitled to any of the rights of holders of private notes under the registration rights agreement, which rights will terminate upon the completion of the exchange offer.

The exchange notes will evidence the same debt as the private notes and will be issued under the same indenture, so the exchange notes and the private notes will be treated as a single class of debt securities under the indenture.

As of the date of this prospectus, \$300,000,000 in aggregate principal amount of the private notes is outstanding and registered in the name of Cede & Co., as nominee for The Depository Trust Company. Only registered holders of the private notes, or their legal representative or attorney-in-fact, as reflected on the records of the trustee under the indenture, may participate in the exchange offer. We will not set a fixed record date for determining registered holders of the private notes entitled to participate in the exchange offer.

You do not have any appraisal or dissenters' rights under the indenture in connection with the exchange offer. We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement and the applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the SEC.

We will be deemed to have accepted validly tendered private notes when, as and if we had given oral or written notice of acceptance to the Exchange Agent. The Exchange Agent will act as your agent for the purposes of receiving the exchange notes from us.

If you tender private notes in the exchange offer you will not be required to pay brokerage commissions or fees or transfer taxes with respect to the exchange of private notes pursuant to the exchange offer. We will pay all charges and expenses, other than the applicable taxes described below under "Fees and Expenses," in connection with the exchange offer.

### **Expiration Date; Extensions; Amendments**

The term "expiration date" will mean 5:00 p.m., New York City time on January 28, 2010, unless we, in our sole discretion, extend the exchange offer, in which case the term "expiration date" will mean the latest date and time to which we extend the exchange offer.

To extend the exchange offer, we will notify the Exchange Agent and each registered holder of any extension in writing by a press release or other public announcement before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. The notice of extension will disclose the aggregate principal amount of the private notes that have been tendered as of the date of such notice.

We reserve the right, in our reasonable discretion:

to delay accepting any private notes due to an extension of the exchange offer; or

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if any conditions listed below under "Conditions" are not satisfied, to terminate the exchange offer in each case by giving written notice of the delay, extension or termination to the Exchange Agent and by press release or public announcement.

We will follow any delay in acceptance, extension or termination as promptly as practicable by written notice to the registered holders by a press release or other public announcement. If we amend the exchange offer in a manner we determine constitutes a material change, we will promptly disclose the amendment in a prospectus supplement that we will distribute to the registered holders. We will also extend the exchange offer for a period of five to ten business days, depending upon the significance of the amendment and the manner of disclosure, if the exchange offer would otherwise expire during the five to ten business day period.

### **Interest on the Exchange Notes**

The exchange notes will bear interest at the same rate and on the same terms as the private notes. Consequently, the exchange notes will bear interest at a rate equal to 8.00% per annum (calculated using a 360-day year). Interest will be payable on the exchange notes semi-annually on each March 15 and September 15.

Interest on the exchange notes will accrue from the last interest payment date on which interest was paid on the private notes. We will deem the right to receive any interest accrued but unpaid on the private notes waived by you if we accept your private notes for exchange.

### **Procedures for Tendering**

If you are a DTC, Euroclear or Clearstream participant that has private notes which are credited to your DTC, Euroclear or Clearstream account by book-entry and which are held of record by DTC, Euroclear or Clearstream's nominee, as applicable, you may tender your private notes by book-entry transfer as if you were the record holder. Because of this, references herein to registered or record holders include DTC, Euroclear and Clearstream participants with private notes credited to their accounts. If you are not a DTC, Euroclear or Clearstream participant, you may tender your private notes by book-entry transfer by contacting your broker, dealer or other nominee or by opening an account with a DTC, Euroclear or Clearstream participant, as the case may be.

To tender private notes in the exchange offer, you must:

comply with DTC's Automated Tender Offer Program ("ATOP") procedures described below; and

the Exchange Agent must receive a timely confirmation of a book-entry transfer of the private notes into its account at DTC through ATOP pursuant to the procedure for book-entry transfer described below, along with a properly transmitted agent's message, before the expiration date.

Participants in DTC's ATOP program must electronically transmit their acceptance of the exchange by causing DTC to transfer the private notes to the Exchange Agent in accordance with DTC's ATOP procedures for transfer. DTC will then send an agent's message to the Exchange Agent. With respect to the exchange of the private notes, the term "agent's message" means a message transmitted by DTC, received by the Exchange Agent and forming part of the book-entry confirmation, which states that:

DTC has received an express acknowledgment from a participant in its ATOP that is tendering private notes that are the subject of the book-entry confirmation;

the participant has received and agrees to be bound by the terms and subject to the conditions set forth in this prospectus; and

the Company may enforce the agreement against such participant.



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Participants in Euroclear's or Clearstream's book-entry transfer facility system must electronically transmit their acceptance of the exchange to Euroclear or Clearstream. The receipt of such electronic acceptance instruction by Euroclear or Clearstream will be acknowledged in accordance with the standard practices of such book-entry transfer facility and will result in the blocking of such private notes in that book-entry transfer facility. By blocking such private notes in the relevant book-entry transfer facility, each holder of private notes will be deemed to consent to have the relevant book-entry transfer facility provide details concerning such holder's identity to the Exchange Agent. The receipt of an electronic instruction by Euroclear or Clearstream shall mean:

Euroclear or Clearstream, as applicable, has received an express acknowledgment from a participant in Euroclear or Clearstream, as the case may be, that such participant is tendering private notes that are the subject of the book-entry confirmation;

the participant has received and agrees to be bound by the terms and subject to the conditions set forth in this prospectus; and

the Company may enforce the agreement against such participant.

Your tender, if not withdrawn before the expiration date, will constitute an agreement between you and us in accordance with the terms and subject to the conditions described in this prospectus.

DTC, Euroclear and Clearstream are collectively referred to herein as the "book-entry transfer facilities" and, individually as a "book-entry transfer facility."

We will determine in our sole discretion all questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of tendered private notes, which determination will be final and binding. We reserve the absolute right to reject any and all private notes not properly tendered or any private notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular private notes. Our interpretation of the terms and conditions of the exchange offer will be final and binding on all parties. Unless waived, you must cure any defects or irregularities in connection with tenders of private notes within the time we determine. Although we intend to notify you of defects or irregularities with respect to tenders of private notes, neither we, the Exchange Agent nor any other person will incur any liability for failure to give you that notification. Unless waived, we will not deem tenders of private notes to have been made until you cure the defects or irregularities.

While we have no present plan to acquire any private notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any private notes that are not tendered in the exchange offer, we reserve the right in our sole discretion to purchase or make offers for any private notes that remain outstanding after the expiration date. We also reserve the right to terminate the exchange offer, as described below under "Conditions," and, to the extent permitted by applicable law, purchase private notes in the open market, in privately negotiated transactions or otherwise. The terms of any of those purchases or offers could differ from the terms of the exchange offer.

If you wish to tender private notes in exchange for exchange notes in the exchange offer, we will require you to represent that:

the private notes are, at the time of acceptance, and will continue to be, until exchanged in this offer, held by you;

you acknowledge that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of yours shall be binding upon your successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, your death or incapacity (if an individual) or dissolution (if an entity);

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you will, upon request, execute and deliver any documents deemed by the Company or the Exchange Agent to be necessary or desirable to complete the exchange of the private notes that are the subject of the electronic acceptance instruction;

you have full power and authority to tender, exchange, assign and transfer the private notes that are the subject of the electronic acceptance instruction and that when such notes are accepted for exchange by the Company, the notes will be transferred by you with full title guarantee free from all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right, together with all rights attached thereto;

you are not an affiliate of ours;

you will acquire any exchange notes in the ordinary course of your business;

you do not have an arrangement or understanding with any person to participate in the distribution of the exchange notes; and

at the time of completion of the exchange offer, you are not engaged in, and do not intend to engage in, a distribution of the exchange notes.

You will be deemed to make such representations by tendering private notes in the exchange offer. In addition, in connection with the resale of exchange notes, any participating broker-dealer who acquired the private notes for its own account as a result of market-making or other trading activities acknowledges that it must deliver a prospectus meeting the requirements of the Securities Act. The SEC has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to the exchange notes, other than a resale of an unsold allotment from the original sale of the notes, with this prospectus.

## **Book-Entry Transfer**

The Exchange Agent will make a request to establish an account with respect to the private notes at DTC, as book-entry transfer facilities, for purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in the book entry transfer facility's system may make book-entry delivery of private notes by causing the depository to transfer the private notes into the Exchange Agent's account at the facility in accordance with the facility's procedures for such transfer.

In all cases, we will issue exchange notes for private notes that we have accepted for exchange under the exchange offer only after the Exchange Agent timely receives:

confirmation of book-entry transfer of your private notes into the Exchange Agent's account at DTC; and

a properly transmitted agent's message.

If we do not accept any tendered private notes for any reason set forth in the terms of the exchange offer, we will credit the non-exchanged private notes to your account maintained at the applicable book-entry transfer facility.

## **Withdrawal of Tenders**

You may withdraw your tender of private notes at any time prior to 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, the holder must cause to be transmitted to the Exchange Agent an agent's message, which agent's message must be received by the Exchange Agent prior to 5:00 p.m., New York City time, on the expiration date. In addition, the Exchange Agent must receive a timely confirmation of book-entry transfer of the private notes out of the Exchange Agent's account at DTC, under the applicable procedure for book-entry transfers described herein, along with a properly transmitted agent's message, on or before the expiration date.



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We will determine in our sole discretion all questions as to the validity, form and eligibility of the notices, and our determination will be final and binding on all parties. We will not deem any properly withdrawn private notes to have been validly tendered for purposes of the exchange offer, and we will not issue exchange notes with respect to those private notes, unless you validly retender the withdrawn private notes. You may retender properly withdrawn private notes by following the procedures described above under Procedures for Tendering at any time before the expiration date.

### **Conditions**

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange the exchange notes for, any private notes, and may terminate the exchange offer as provided in this prospectus before the acceptance of the private notes, if, in our reasonable judgment, the exchange offer violates applicable law, rules or regulations or an applicable interpretation of the staff of the SEC.

If we determine in our reasonable discretion that any of these conditions are not satisfied, we may

refuse to accept any private notes and return all tendered private notes to you;

extend the exchange offer and retain all private notes tendered before the exchange offer expires, subject, however, to your rights to withdraw the private notes; or

waive the unsatisfied conditions with respect to the exchange offer and accept all properly tendered private notes that have not been withdrawn.

If the waiver constitutes a material change to the exchange offer, we will promptly disclose the waiver by means of a prospectus supplement that we will distribute to the registered holders of the private notes, and we will extend the exchange offer for a period of five to ten business days, depending upon the significance of the waiver and the manner of disclosure to the registered holders, if the exchange offer would otherwise expire during the five to ten business day period.

### **Termination of Rights**

All of your rights under the registration rights agreement will terminate upon consummation of the exchange offer except with respect to our continuing obligations:

to indemnify you and parties related to you against liabilities, including liabilities under the Securities Act; and

to provide, upon your request, the information required by Rule 144A(d)(4) under the Securities Act to permit resales of the notes pursuant to Rule 144A.

### **Shelf Registration**

If:

- (1) we are not permitted to consummate the exchange offer because the exchange offer is not permitted by applicable law or SEC policy;
- (2) the exchange offer has not been completed by May 26, 2010; or
- (3) the exchange offer is not available to any holder of transfer restricted securities,



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we will file with the SEC a shelf registration statement to cover resales of the private notes by the holders thereof who satisfy certain conditions relating to the provision of information in connection with the shelf registration statement.

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For purposes of the preceding, transfer restricted securities means each private note until:

- (1) the date on which such note has been exchanged by a person other than a broker-dealer for an exchange note in the exchange offer;
- (2) following the exchange by a broker-dealer in the exchange offer of a private note for an exchange note, the date on which such exchange note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the exchange offer registration statement;
- (3) the date on which such private note has been effectively registered under the Securities Act and disposed of in accordance with the shelf registration statement; or
- (4) the date on which such private note is distributed to the public pursuant to Rule 144 under the Securities Act.

## **Liquidated Damages**

If:

- (1) we fail to file any of the registration statements required by the registration rights agreement on or before the date specified for such filing; or
- (2) any of such registration statements is not declared effective by the SEC on or prior to the date specified for such effectiveness; or
- (3) we fail to consummate the exchange offer within 45 days after the exchange offer registration statement is declared effective; or
- (4) the shelf registration statement or the exchange offer registration statement is declared effective but thereafter ceases to be effective or usable in connection with resales or exchanges of transfer restricted securities during the periods specified in the registration rights agreement (each such event referred to in clauses (1) through (4) above, a registration default ),

then we will pay to each holder of the outstanding notes, as liquidated damages, for the period from the occurrence of the registration default (but only with respect to one registration default at any particular time) until such time as no registration default is in effect an amount per annum equal to 0.25% during the first 90-day period following the occurrence of such registration default which rate shall increase by an additional 0.25% during each subsequent 90-day period, up to a maximum of 1.00% in respect of the aggregate principal amount of transfer restricted securities held by such holder until the applicable registration statement is filed, the exchange offer registration statement is declared effective and the exchange offer is consummated or the shelf registration statement is declared effective or again becomes effective, as the case may be.

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### **Exchange Agent**

We have appointed Wells Fargo Bank, National Association as Exchange Agent for the exchange offer. You should direct questions and requests for assistance and requests for additional copies of this prospectus to the Exchange Agent addressed as follows:

#### *By Registered or Certified Mail:*

Wells Fargo Bank, National Association

625 Marquette Avenue

MAC CODE: N9303-121

Minneapolis, Minnesota 55402

Attention: Corporate Trust Administration

#### *By Overnight Delivery:*

Wells Fargo Bank, National Association

625 Marquette Avenue

MAC CODE: N9303-121

Minneapolis, Minnesota 55402

Attention: Corporate Trust Administration

Delivery to an address other than the one stated above or transmission via a facsimile number other than the one stated above will not constitute a valid delivery.

#### *By Hand Delivery:*

Wells Fargo Bank, National Association

625 Marquette Avenue

MAC CODE: N9303-121

Minneapolis, Minnesota 55402

Attention: Corporate Trust Administration

#### *By Facsimile:*

(213) 614-3355

Attention: Corporate Trust Administration

#### *Confirm by Telephone:*

(800) 344-5128

### **Fees and Expenses**

We will bear the expenses of soliciting tenders. We have not retained any dealer manager in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We will, however, pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

We will pay the cash expenses incurred in connection with the exchange offer which we estimate to be approximately \$250,000. These expenses include registration fees, fees and expenses of the Exchange Agent and the trustee, accounting and legal fees and printing costs, among others.

We will pay all transfer taxes, if any, applicable to the exchange of notes pursuant to the exchange offer. If, however, a transfer tax is imposed for any reason other than the exchange of the private notes pursuant to the exchange offer, then you must pay the amount of the transfer taxes.

### **Consequence of Failures to Exchange**

Participation in the exchange offer is voluntary. We urge you to consult your financial and tax advisors in making your decisions on what action to take. Private notes that are not exchanged for exchange notes pursuant to the exchange offer will remain restricted securities. Accordingly, those private notes may be resold only:

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to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A;

in a transaction meeting the requirements of Rule 144 under the Securities Act;

outside the United States to a foreign person in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act;

in accordance with another exemption from the registration requirements of the Securities Act and based upon an opinion of counsel if we so request;

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to us; or

pursuant to an effective registration statement.

In each case, the private notes may be resold only in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction.

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**USE OF PROCEEDS**

The exchange offer satisfies an obligation under the registration rights agreement. We will not receive any cash proceeds from the exchange offer.

The net proceeds from the sale of the private notes, after deducting estimated discounts, commissions and offering expenses were approximately \$293 million. The net proceeds will be used for working capital and general corporate purposes, which may include acquisitions. As part of our overall business strategy, we pursue acquisitions of and investments in complementary companies, products and technologies. On October 23, 2009, we announced a definitive agreement to acquire certain diagnostic businesses of Biotest AG, and we are evaluating a number of acquisitions on a preliminary basis, but it is not certain that any of these transactions will be completed or advance beyond the preliminary stages.

**Table of Contents****CAPITALIZATION**

The following table sets forth our cash, cash equivalents and short-term investments, short-term debt and our consolidated capitalization at September 30, 2009.

	Actual (in thousands,  except share data (unaudited))
Cash, cash equivalents and short-term investments	\$ 642,109
Short-term debt:	
Notes payable and current maturities of long-term debt	\$ 5,346
Long-term debt, net of current maturities:	
Revolving credit facility <sup>(1)</sup>	
8.00% Senior Subordinated Notes due 2016	294,935
7.5% Senior Subordinated Notes due 2013	225,000
6.125% Senior Subordinated Notes due 2014	200,000
Other long-term debt	18,752
Total long-term debt	738,687
Total debt	744,033
Stockholders' equity:	
Preferred stock, \$0.0001 par value, 7,500,000 shares authorized; none outstanding at September 30, 2009	
Class A common stock, \$0.0001 par value, 80,000,000 shares authorized; outstanding 22,348,945 shares outstanding at September 30, 2009	2
Class B common stock, \$0.0001 par value, 20,000,000 shares authorized; outstanding 5,131,347 shares outstanding at September 30, 2009	1
Additional paid-in capital	125,083
Class A treasury stock, zero shares at September 30, 2009	
Retained earnings	958,335
Accumulated other comprehensive income: Currency translation and other	125,240
Total Bio-Rad stockholders' equity	1,208,661
Noncontrolling interests	19,010
Total stockholders' equity	1,227,671
Total capitalization	\$ 1,971,704

<sup>(1)</sup> Our existing credit facility consists of a \$200 million revolving facility, which we can increase to \$250 million upon satisfaction of certain conditions.

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### DESCRIPTION OF CERTAIN INDEBTEDNESS

On June 21, 2005, we entered into our existing credit facility with certain financial institutions (the "Lenders"), JPMorgan Chase Bank, N.A., as administrative agent, Wells Fargo Bank, N.A. and Union Bank of California, N.A., as syndication agents, and ABN Amro Bank N.V. and BNP Paribas, as documentation agents. The following is a summary description of the principal terms of our existing credit facility, as amended, and the other loan documents related thereto. We urge you to read the definitive documentation for a more complete understanding of our existing credit facility. You may request a copy of our existing credit facility at our address set forth on page i of this prospectus. Our obligations under our existing credit facility will constitute Senior Debt and Designated Senior Debt (each as defined in "Description of Notes") with respect to the notes.

#### **The Facility**

**Structure.** Our existing credit facility consists of a \$200.0 million revolving facility, which we can increase to \$250.0 million upon satisfaction of certain conditions.

We may use the revolving facility to fund our working capital requirements and other general corporate expenditures.

The revolving facility matures June 21, 2010. Loans under the revolving facility are available at any time during its five-year term in U.S. dollars or, subject to certain limitations, Euros, subject to various conditions precedent typical of bank loans.

**Interest.** Borrowings under our existing credit facility bear interest at a variable rate per annum equal (at our option) to (a) a reserve adjusted Eurodollar rate or (b) a base rate equal to the higher of (1) the administrative agent's announced corporate base rate and (2) the Federal Funds effective rate plus 1/2 of 1% per annum plus, in each case, an applicable margin based on our financial performance and compliance with the terms of our existing credit facility.

**Fees.** We have agreed to pay certain fees with respect to our existing credit facility, including fees on the unused portion of the revolving loan commitments and on outstanding letters of credit, arrangement and other similar fees.

**Security.** Debt outstanding under our existing credit facility is secured by substantially all of our personal property assets. The credit facility is also secured by:

the assets of our existing and future material domestic subsidiaries, which are defined to include any domestic subsidiary (other than a guarantor) with assets having a book value of \$25.0 million or more, any group of domestic subsidiaries (other than guarantors) having combined assets with a book value of \$50.0 million or more or any subsidiary that represents more than 10% of our consolidated assets or more than 10% of our consolidated net income; and

65% of the capital stock of foreign subsidiaries directly owned by us or any guarantor.

**Covenants.** Our existing credit facility contains a number of covenants that, among other things, restrict our ability and the ability of our subsidiaries to

declare or pay dividends;

incur additional debt;

guarantee obligations of others;



engage in certain transactions with affiliates;

engage in mergers or consolidations;

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sell, lease or dispose certain assets;

make certain investments;

create liens on assets;

prepay subordinated debt;

change the business conducted by us and our subsidiaries; or

enter into certain sale-leaseback transactions.

In addition, our existing credit facility requires us to comply with specified financial ratios and tests, including maximum consolidated leverage ratio test, minimum consolidated interest coverage ratio test and a minimum net worth test. The facility also contains provisions that prohibit any modifications of the indenture in any manner adverse to the Lenders under the facility and that limit our ability to refinance or otherwise prepay the notes without the consent of the Lenders.

***Events of Default.*** Our existing credit facility contains customary events of default, including material inaccuracies of representations or warranties, non-payment of principal, interest or fees, violation of covenants, cross defaults to certain other indebtedness and hedge agreements, certain events of bankruptcy or insolvency, material judgments against us and our subsidiaries, certain ERISA events, environmental events or conditions which could reasonably be expected to have a material adverse effect on us, a change of control under certain circumstances set forth therein, and invalidity of any guarantee.

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**DESCRIPTION OF NOTES**

We issued the private notes, and will issue the exchange notes (unless the context requires otherwise, references to the **Notes** include the private notes and the exchange notes), pursuant to an indenture (the **Indenture**), dated as of May 26, 2009, by and between us and Wells Fargo Bank, National Association, as trustee (the **Trustee**).

You can find the definitions of certain capitalized terms used in this section under the heading **Certain Definitions** below. For purposes of this Description of Notes, references to Bio-Rad, we, our, or us include only Bio-Rad Laboratories, Inc. and Bio-Rad's successors in accordance with the terms of the Indenture and, except pursuant to the terms of any Guarantee, not our Subsidiaries.

The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the **Trust Indenture Act**). The Notes are subject to all such terms, and holders of Notes are referred to the Indenture and the Trust Indenture Act for a statement thereof.

The following summaries of certain provisions of the Indenture are summaries only, do not purport to be complete and are qualified in their entirety by reference to all of the provisions of the Indenture. We urge you to read the Indenture because it, and not this description, defines your rights as a holder of the Notes.

**Brief Description of the Notes**

The Notes:

are general unsecured obligations;

rank junior in right of payment with all of our existing and future Senior Debt (other than trade payables);

rank equally in right of payment with all of our existing and future senior subordinated debt, including the Existing Notes;

rank senior in right of payment with all of our existing and future Subordinated Indebtedness; and

are effectively subordinated to all existing and future debt of our subsidiaries that are not guarantors, including trade payables. The Notes will be issued in fully registered form only, without coupons, in denominations of \$1,000 and integral multiples thereof.

The term **Subsidiaries** as used in this section does not include **Unrestricted Subsidiaries**. As of the Issue Date, none of our Subsidiaries were **Unrestricted Subsidiaries**. However, under certain circumstances, we will be able to designate current or future Subsidiaries as **Unrestricted Subsidiaries**. **Unrestricted Subsidiaries** will not be subject to the restrictive covenants set forth in the Indenture.

**Principal, Maturity and Interest**

We will issue up to an aggregate principal amount of \$300 million of exchange notes in the exchange offer. The Indenture provides for the issuance of additional notes having identical terms and conditions to the Notes (the **Additional Notes**), subject to compliance with the covenants contained in the Indenture, including without limitation the provisions set forth under **Certain Covenants** **Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock**. Any Additional Notes will be part of the same issue as the Notes and will vote on all matters with the Notes. It is possible, however, that such Additional Notes will not be treated as part of the same issue as the Notes for U.S. federal income tax purposes.

The Notes will mature on September 15, 2016.



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The Notes will bear interest at the rate per annum stated on the cover page hereof from the date of issuance or from the most recent date to which interest has been paid or provided for (the **Interest Payment Date** ), payable semi-annually in arrears on March 15 and September 15 of each year, beginning September 15, 2009, to the persons in whose names such Notes are registered at the close of business on the March 1 or September 1 immediately preceding such Interest Payment Date. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

### **Methods of Receiving Payments on the Notes**

Principal of, premium, if any, and interest (and Liquidated Damages, if any) on the Notes will be payable, and the Notes may be presented for registration of transfer or exchange, at our office or agency maintained for such purpose, which office or agency shall be maintained in The City of New York. Except as set forth below, at our option, payment of interest may be made by check mailed to the holders of the Notes (the **Holders** ) at the addresses set forth upon our registry books. No service charge will be made for any registration of transfer or exchange of Notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Until otherwise designated by us, our office or agency will be the corporate trust office of the Trustee presently located at the office of the Trustee in The City of New York.

### **Subordination**

The Notes are our general unsecured obligations, contractually subordinated in right of payment to all of our Senior Debt. This means that holders of our Senior Debt must be paid in full before any amounts are paid to the Holders in the event we become bankrupt or are liquidated and that holders of Senior Debt can block payments to the Holders in the event of a default by us on such Senior Debt, all as more fully described below.

As of September 30, 2009, we had \$10.4 million of Senior Debt and no Indebtedness that is subordinated to the Notes in right of payment. These Notes rank pari passu in right of payment with the Existing Notes.

The rights of Holders are effectively subordinated to all existing and future indebtedness and preferred stock of our subsidiaries that are not guarantors, which as of September 30, 2009, was \$13.7 million.

We may not make payment (by set-off or otherwise), as applicable, on account of any Obligation, including the principal of, premium, if any, or interest on the Notes (or Liquidated Damages, if any), or on account of the redemption provisions of the Notes (including any repurchases of Notes), for cash or property (other than payments made with Junior Securities or from the trust described under Legal Defeasance and Covenant Defeasance ):

(1) in the event of default in the payment of any principal of, premium, if any, or interest on our Designated Senior Debt, when it becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise (a **Payment Default** ), unless and until such Payment Default has been cured or waived in writing or otherwise has ceased to exist, or

(2) upon the happening of an event of default other than a Payment Default that permits the holders of Designated Senior Debt to declare such Designated Senior Debt to be due and payable (a **Non-payment Default** ) and written notice of such event of default given to us and the Trustee by the representative under the Credit Agreement (a **Payment Notice** ), unless and until such event of default has been cured or waived in writing or otherwise has ceased to exist.

Notwithstanding the foregoing, unless the Designated Senior Debt in respect of which a Non-payment Default exists has been declared due and payable in its entirety within 179 days after the Payment Notice is delivered as set forth above (the **Payment Blockage Period** ) (and such declaration has not been rescinded or waived), at the end of the Payment Blockage Period, we shall be required to pay all sums not previously paid to the Holders during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on the Notes.

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Any number of Payment Notices may be given; *provided, however*, that

(1) not more than one Payment Notice shall be given within a period of any 360 consecutive days, and

(2) no Non-payment Default that existed upon the date of such Payment Notice or the commencement of such Payment Blockage Period (whether or not such event of default is on the same issue of Senior Debt) shall be made the basis for the commencement of any other Payment Blockage Period (unless such default has been cured or waived for a period of not less than 120 days).

Upon any distribution of our assets upon any dissolution, winding up, total or partial liquidation or reorganization of us, whether voluntary or involuntary, in bankruptcy, insolvency, receivership or a similar proceeding or upon assignment for the benefit of creditors or any marshalling of assets or liabilities

(1) the holders of all of our Senior Debt will first be entitled to receive payment in full in cash or Cash Equivalents (or have such payment first duly provided for to the satisfaction of the Holders of the Senior Debt) or otherwise to the extent holders accept satisfaction of amounts due by settlement in other than cash or Cash Equivalents before the Holders are entitled to receive any payment on account of any Obligation, including the principal of, premium, if any, and interest on the Notes (or Liquidated Damages, if any) (other than payments made with Junior Securities or from the trust described under Legal Defeasance and Covenant Defeasance ), and

(2) any payment or distribution of our assets of any kind or character from any source, whether in cash, property or securities (other than payments or distributions made with Junior Securities or from the trust described under Legal Defeasance and Covenant Defeasance ) to which the Holders or the Trustee on behalf of the Holders would be entitled (by set-off or otherwise), except for the subordination provisions contained in the Indenture, will be paid by the liquidating trustee or agent or other Person making such a payment or distribution directly to the holders of such Senior Debt or their representative to the extent necessary to make payment in full (or have such payment first duly provided for to the satisfaction of the Holders of the Senior Debt) on all such Senior Debt remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

In the event that, notwithstanding the foregoing, any payment or distribution of our assets (other than payments or distributions made with Junior Securities or from the trust described under Legal Defeasance and Covenant Defeasance ) shall be received by the Trustee or the Holders at a time when such payment or distribution is prohibited by the foregoing provisions, such payment or distribution shall be held in trust for the benefit of the holders of such Senior Debt, and shall be paid or delivered by the Trustee or such Holders, as the case may be, upon a request in writing from or on behalf of the holders of such Senior Debt remaining unpaid or unprovided for to such holders or to their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Debt may have been issued, ratably according to the aggregate principal amounts remaining unpaid on account of such Senior Debt held or represented by each, for application to the payment of all such Senior Debt remaining unpaid, to the extent necessary to pay or to provide for the payment of all such Senior Debt in full in cash or Cash Equivalents or otherwise to the extent holders accept satisfaction of amounts due by settlement in other than cash or Cash Equivalents after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

No provision contained in the Indenture or the Notes will affect our obligation or the obligations of any Guarantors, which is absolute and unconditional, to pay, when due, principal of, premium, if any, and interest (and, if applicable, Liquidated Damages) on the Notes. The subordination provisions of the Indenture and the Notes will not prevent the occurrence of any Default or Event of Default under the Indenture or limit the rights of the Trustee or any Holder to pursue any other rights or remedies with respect to the Notes.

As a result of these subordination provisions, in the event of the liquidation, bankruptcy, reorganization, insolvency, receivership or similar proceeding or an assignment for the benefit of our creditors or a marshalling of our assets and liabilities, Holders may receive ratably less than other creditors of Bio-Rad.

**Table of Contents****Certain Bankruptcy Limitations**

We conduct a substantial portion of our operations through Subsidiaries. Accordingly, our ability to meet our cash obligations may in part depend upon the ability of those Subsidiaries and any future Subsidiaries to make cash distributions to us and to pay intercompany receivables. Furthermore, any right we have to receive the assets of any Subsidiary upon that Subsidiary's liquidation or reorganization (and the consequent right of the Holders to participate in the distribution of the proceeds of those assets) effectively will be subject to the prior claims of that Subsidiary's creditors (including trade creditors), except to the extent that we are recognized as creditors of that Subsidiary.

**Redemption*****Optional Redemption***

At any time prior to September 15, 2013, we may redeem all or part of the Notes, upon not less than 10 days' nor more than 60 days' prior notice to each Holder of the Notes to be redeemed, at a redemption price equal to 100% of the principal amount of those Notes plus the Applicable Premium as of, and accrued and unpaid interest and Liquidated Damages, if any, thereon to, the applicable Redemption Date.

At any time on or after September 15, 2013, we may redeem the Notes for cash at our option, in whole or in part, upon not less than 10 days' nor more than 60 days' notice to each Holder of Notes, at the following redemption prices (expressed as percentages of the principal amount) if redeemed during the 12-month period commencing September 15 of the years indicated below, in each case together with accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of redemption of the Notes ( "**Redemption Date** "):

<b>Year</b>	<b>Percentage</b>
2013	104.000%
2014	102.000%
2015 and thereafter	100.000%

Notwithstanding the foregoing, at any time prior to September 15, 2012, upon any sale of our common stock for cash, up to 35% of the aggregate principal amount of the Notes originally issued pursuant to the Indenture on the Issue Date may be redeemed at our option within 90 days of such sale, on not less than 10 days', but not more than 60 days', notice to each Holder of the Notes to be redeemed, with cash received by us from the Net Cash Proceeds of such sale, at a redemption price equal to 108.000% of the principal amount thereof, together with accrued and unpaid interest and Liquidated Damages, if any, thereon to the Redemption Date; *provided, however*, that immediately following such redemption not less than 65% of the aggregate principal amount of the Notes originally issued pursuant to the Indenture on the Issue Date remain outstanding.

If the Redemption Date hereunder is on or after an interest record date ( "**Record Date** ") on which the Holders of record have a right to receive the corresponding interest due and Liquidated Damages, if any, and on or before the associated Interest Payment Date, any accrued and unpaid interest and Liquidated Damages, if any, due on such Interest Payment Date will be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and such interest and Liquidated Damages, if any, will not be payable to Holders whose Notes are redeemed pursuant to such redemption.

In the case of a partial redemption, the Trustee shall select the Notes or portions thereof for redemption on a *pro rata* basis, by lot or in such other manner it deems appropriate and fair. The Notes may be redeemed in part in multiples of \$1,000 only.

Notice of any redemption will be sent, by first class mail, at least 10 days and not more than 60 days prior to the Redemption Date to the Holder of each Note to be redeemed to such Holder's last address as then shown upon the registry books of our registrar. Any notice which relates to a Note to be redeemed in part only must

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state the portion of the principal amount equal to the unredeemed portion thereof and must state that on and after the Redemption Date, upon surrender of such Note, a new Note or Notes in a principal amount equal to the unredeemed portion thereof will be issued. On and after the Redemption Date, interest will cease to accrue on the Notes or portions thereof called for redemption, unless we default in the payment thereof.

### ***No Sinking Fund***

The Notes will not have the benefit of any sinking fund and we will not be required to make any mandatory redemption payments with respect to the Notes.

### **Covenant Suspension**

The Indenture provides that at any time the Notes have achieved Investment Grade Ratings by both Rating Agencies and no Default or Event of Default has occurred and is continuing, the provisions of the Indenture described under the following headings under **Certain Covenants** will no longer apply (even if the Notes subsequently cease to have Investment Grade Ratings):

Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock,

Limitation on Restricted Payments,

Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries,

Limitation on Liens,

Limitation on Sale of Assets and Subsidiary Stock,

Limitation on Transactions with Affiliates,

clause (3) under Limitation on Merger, Sale or Consolidation,

Future Guarantors, and

Release of Guarantors.

For purposes hereof the following terms shall have meanings set forth below:

**Investment Grade Rating** means (1) with respect to S&P, any of the rating categories from and including AAA to and including BBB- and (2) with respect to Moody's, any of the rating categories from and including Aaa to and including Baa3.

**Moody's** means Moody's Investors Service, Inc., and its successors.

**Rating Agency** means each of (a) S&P and (b) Moody's.

**S&P** means Standard & Poor's Rating Service, a division of The McGraw-Hill Companies, Inc., and its successors.



**Certain Covenants**

The Indenture contains certain covenants including, among others, the following:

***Repurchase of Notes at the Option of the Holder Upon a Change of Control***

In the event that a Change of Control has occurred, each Holder of Notes will have the right, at such Holder's option, pursuant to an offer (subject only to conditions required by applicable law, if any) by us (the **Change of Control Offer**), to require us to repurchase all or any part of such Holder's Notes (provided that the principal amount of such Notes must be \$1,000 or an integral multiple thereof) on a date (the **Change of**

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**Control Purchase Date** ) that is no later than 45 Business Days after the occurrence of such Change of Control, at a cash price equal to 101% of the principal amount thereof (the **Change of Control Purchase Price** ), together with accrued and unpaid interest and Liquidated Damages, if any, to the Change of Control Purchase Date.

The Change of Control Offer shall be made within 10 Business Days following a Change of Control (but may be commenced prior to the Change of Control so long as it is contingent on the Change of Control) and shall remain open for 20 Business Days (the **Change of Control Offer Period** ). Upon expiration of the Change of Control Offer Period, we shall promptly purchase all Notes properly tendered in response to the Change of Control Offer.

Notwithstanding the foregoing, we will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us.

In addition, we will not be required to make a Change of Control Offer, as provided above, if, in connection with or in contemplation of any Change of Control, we have made an offer to purchase (an **Alternate Offer** ) any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Purchase Price and have purchased all Notes properly tendered in accordance with the terms of such Alternate Offer; *provided, however*, that the terms and conditions of such contemplated Change of Control are described in reasonable detail to the Holders in the notice delivered in connection with such Alternate Offer. The indenture for the Existing Notes contains a similar change of control covenant.

Prior to the commencement of a Change of Control Offer, but in any event within 45 days following any Change of Control, we will

(1)(a) repay in full and terminate all commitments of Indebtedness under the Credit Agreement and all other Senior Debt and Guarantor Senior Debt, in each case, the terms of which require repayment upon a Change of Control or (b) offer to repay in full and terminate all commitments of Indebtedness under the Credit Agreement and all such other Senior Debt and Guarantor Senior Debt and repay the Indebtedness owed to each lender which has accepted such offer in full, or

(2) obtain the requisite consents under the Credit Agreement and all such other Senior Debt and Guarantor Senior Debt to permit the repurchase of the Notes as provided herein.

Our failure to comply with the preceding sentence shall constitute an Event of Default described in clause (3) under the heading **Events of Default** below, but without giving effect to the stated exceptions in that clause.

On or before the Change of Control Purchase Date, we will

(1) accept for payment Notes or portions thereof properly tendered pursuant to the Change of Control Offer,

(2) deposit with the paying agent for us (the **Paying Agent** ) cash sufficient to pay the Change of Control Purchase Price (together with accrued and unpaid interest and Liquidated Damages, if any) of all Notes or portions thereof so tendered, and

(3) deliver to the Trustee the Notes so accepted together with an Officers' Certificate listing the Notes or portions thereof being purchased by us.

The Paying Agent promptly will pay the Holders of Notes so accepted an amount equal to the Change of Control Purchase Price (together with accrued and unpaid interest and Liquidated Damages, if any) and the Trustee promptly will authenticate and deliver to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted will be delivered promptly by us to the Holder thereof. We will announce publicly the results of the Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

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The Change of Control purchase feature of the Notes may make more difficult or discourage a takeover of us, and, thus, the removal of incumbent management.

The phrase all or substantially all of our assets will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of all or substantially all of our assets has occurred. In addition, we cannot assure you that we will be able to acquire Notes tendered upon the occurrence of a Change of Control.

Holders will not be entitled to require us to purchase their Notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction that is not a Change of Control. In addition, Holders may not be entitled to require us to purchase their Notes in certain circumstances involving a significant change in the composition of our Board of Directors, including in connection with a proxy contest where our Board of Directors does not endorse a dissident slate of directors but approves them as Continuing Directors.

Any Change of Control Offer will be made in compliance with all applicable laws, rules and regulations, including, if applicable, Regulation 14E under the Exchange Act and the rules thereunder and all other applicable federal and state securities laws. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, our compliance or compliance by any of the Guarantors with such laws and regulations shall not in and of itself cause a breach of their obligations under such covenant.

If the Change of Control Purchase Date hereunder is on or after an interest payment Record Date and on or before the associated Interest Payment Date, any accrued and unpaid interest (and Liquidated Damages, if any) due on such Interest Payment Date will be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and such interest (and Liquidated Damages, if applicable) will not be payable to Holders who tender the Notes pursuant to the Change of Control Offer.

### *Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock*

We will not and we will not permit any of our Subsidiaries to, directly or indirectly, issue, assume, guarantee, incur, become directly or indirectly liable with respect to, or otherwise become responsible for, contingently or otherwise (individually and collectively, to **incur** or, as appropriate, an **incurrence** ), any Indebtedness (including Disqualified Capital Stock and Acquired Indebtedness).

Notwithstanding the foregoing if

(1) no Default or Event of Default shall have occurred and be continuing at the time of, or would occur after giving effect on a pro forma basis to, such incurrence of Indebtedness, and

(2) on the date of such incurrence (the **Incurrence Date** ), our Consolidated Coverage Ratio for the Reference Period immediately preceding the Incurrence Date, after giving effect on a pro forma basis to such incurrence of such Indebtedness and, to the extent set forth in the definition of Consolidated Coverage Ratio, the use of proceeds thereof, would be at least 2.00 to 1.00 (the **Debt Incurrence Ratio** ),

then we and our Subsidiaries may incur such Indebtedness (including Disqualified Capital Stock).

In addition, the foregoing limitations of the first paragraph of this covenant will not prohibit the following:

(1) our incurrence or the incurrence by any Subsidiary of Purchase Money Indebtedness; *provided that*

(a) the aggregate amount of such Indebtedness incurred and outstanding at any time pursuant to this paragraph (1) (plus any Refinancing Indebtedness issued to retire, defease, refinance, replace or refund such Indebtedness) shall not exceed \$25 million (or the equivalent thereof, at the time of incurrence, in the applicable foreign currency), and

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- (b) in each case, such Indebtedness shall not constitute more than 100% of our cost or the cost to such Subsidiary (determined in accordance with GAAP), as applicable, of the property so purchased, constructed, improved or leased;
- (2) our incurrence or the incurrence by any of our Guarantors of Indebtedness in an aggregate amount incurred and outstanding at any time pursuant to this paragraph (2) (plus any Refinancing Indebtedness incurred to retire, defease, refinance, replace or refund such Indebtedness) of up to \$100 million (or the equivalent thereof, at the time of incurrence, in the applicable foreign currencies);
- (3) our incurrence or the incurrence by any Guarantor of Indebtedness pursuant to the Credit Facilities in an aggregate amount incurred and outstanding at any time pursuant to this paragraph (3) (plus any Refinancing Indebtedness incurred to retire, defease, refinance, replace or refund such Indebtedness) of up to \$250 million;
- (4) the incurrence by our Subsidiaries that are not Guarantors of Indebtedness so long as, immediately after giving effect thereto, the aggregate principal amount of any such Indebtedness incurred and outstanding pursuant to this clause (4) (plus any Refinancing Indebtedness incurred to retire, defease, refinance, replace or refund such Indebtedness) does not exceed 10% of our consolidated total assets;
- (5) the incurrence by us of Indebtedness evidenced by the Notes issued on the Issue Date and the exchange notes issued pursuant to the Registration Rights Agreement;
- (6) the incurrence by us or our Subsidiaries or the Guarantors of Refinancing Indebtedness with respect to any Indebtedness (including Disqualified Capital Stock) described in clause (5) above or clause (12) below, or incurred pursuant to the Debt Incurrence Ratio or which was refinanced pursuant to this clause (6);
- (7) the incurrence by us or the Guarantors of Indebtedness solely in respect of bankers' acceptances, letters of credit and performance bonds (to the extent that such incurrence does not result in the incurrence of any obligation to repay any obligation relating to borrowed money of others), all in the ordinary course of business in accordance with customary industry practices, in amounts and for the purposes customary in our industry; *provided* that the aggregate principal amount outstanding of such Indebtedness incurred pursuant to this clause (7) (including any Refinancing Indebtedness and any other Indebtedness issued to retire, refinance, refund, defease or replace such Indebtedness) shall at no time exceed \$25 million;
- (8) the incurrence by us or our Subsidiaries of Indebtedness represented by performance bonds and letters of credit for the account of Bio-Rad or any such Subsidiary, as the case may be, in order to provide security for Value Added Tax (VAT) or customs obligations under bonds posted to a governmental authority, security for workers' compensation claims and payment obligations in connection with self-insurance, in each case, that are incurred in the ordinary course of business in accordance with customary industry practice in amounts, and for the purposes, customary in our industry;
- (9) the incurrence by us of Indebtedness owed to (and borrowed from) any of our Subsidiaries, and the incurrence by any of our Subsidiaries of Indebtedness owed to (and borrowed from) any other Subsidiary of ours or us; *provided* that in any case where we are the obligor, such obligations shall be unsecured and contractually subordinated in all respects to our obligations pursuant to the Notes, and any event that causes such Subsidiary no longer to be a Subsidiary (including by designation to be an Unrestricted Subsidiary) shall be deemed to be a new incurrence subject to this covenant;
- (10) the guarantee by any Subsidiary of any of our Indebtedness or the Indebtedness of another Subsidiary that was permitted to be incurred pursuant to the Indenture, substantially concurrently with such incurrence or at the time such Person becomes a Subsidiary; *provided* that a Guarantor cannot guarantee debt of a Subsidiary that is not a Guarantor;
- (11) the incurrence by us or our Subsidiaries of Interest Swap and Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate or currency risk with respect to any fixed or floating rate Indebtedness that is permitted by the Indenture to be outstanding or any receivable or liability

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the payment of which is determined by reference to a foreign currency; *provided* that the notional amount of any such Interest Swap and Hedging Obligation does not exceed the principal amount of Indebtedness to which such Interest Swap and Hedging Obligation relates;

(12) the incurrence by us or our Subsidiaries of Existing Indebtedness;

(13) the incurrence by us of Indebtedness arising from agreements of Bio-Rad or our Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary otherwise permitted by the Indenture;

(14) the accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock; *provided*, in each such case, that the amount thereof is included in Consolidated Fixed Charges of Bio-Rad as accrued; and

(15) the incurrence by us or our Subsidiaries of Indebtedness to the extent the proceeds thereof are used to purchase Notes and/or Existing Notes pursuant to a Change of Control Offer or an Alternate Offer.

Indebtedness (including Disqualified Capital Stock) of any Person which is outstanding at the time such Person becomes one of our Subsidiaries (including upon designation of any subsidiary or other Person as a Subsidiary) or is merged with or into or consolidated with us or one of our Subsidiaries shall be deemed to have been incurred at the time such Person becomes one of our Subsidiaries or is merged with or into or consolidated with us or one of our Subsidiaries, as applicable.

Notwithstanding any other provision of this covenant, but only to avoid duplication, a guarantee of our Indebtedness or of the Indebtedness of another Subsidiary of ours incurred in accordance with the terms of the Indenture issued at the time such Indebtedness was incurred or if later at the time the guarantor thereof became one of our Subsidiaries will not constitute a separate incurrence, or amount outstanding, of Indebtedness. Upon each incurrence we may designate pursuant to which provision of this covenant such Indebtedness is being incurred and, at the time of each subsequent incurrence in accordance with this covenant, may reclassify such item of Indebtedness (or any part thereof) in any manner that complies with this covenant.

### ***Limitation on Restricted Payments***

We will not and we will not permit any of our Subsidiaries to, directly or indirectly, make any Restricted Payment if after giving effect to such Restricted Payment on a pro forma basis

(1) a Default or an Event of Default shall have occurred and be continuing,

(2) we are not permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio or

(3) the aggregate amount of all Restricted Payments made by us and our Subsidiaries, including after giving effect to such proposed Restricted Payment, on and after January 1, 2003, would exceed, without duplication, the sum of

(a) 50% of our aggregate Consolidated Net Income for the period (taken as one accounting period) commencing on January 1, 2003, to and including the last day of the fiscal quarter ended immediately prior to the date of each such calculation for which our consolidated financial statements are available (or, in the event our Consolidated Net Income for such period is a deficit, then minus 100% of such deficit), plus

(b) the aggregate Net Cash Proceeds received by us after January 1, 2003, from a Capital Contribution or from the sale of our Qualified Capital Stock (other than (I) to one of our Subsidiaries or (II) to the extent applied in connection with a Qualified Exchange after January 1, 2003), plus

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(c) except in each case, in order to avoid duplication, to the extent any such payment or proceeds have been included in the calculation of Consolidated Net Income, an amount equal to the net reduction in Investments (other than returns of or from Permitted Investments) in any Person resulting from distributions on or repayments of any Investments, including payments of interest on Indebtedness, dividends, repayments of loans or advances, or other distributions or other transfers of assets, in each case to us or any Subsidiary or from the Net Cash Proceeds from the sale of any such Investment (valued in each case as provided in the definition of Investments ), not to exceed, in each case, the amount of Investments made after January 1, 2003 by us or any Subsidiary in such Person (which Investments constituted (or would have constituted) Restricted Payments), plus

(d) 50% of any cash dividends received by us or any of our Subsidiaries after January 1, 2003 from an Unrestricted Subsidiary of ours, to the extent that such dividends were not otherwise included in our Consolidated Net Income for such period, plus

(e) to the extent that any Unrestricted Subsidiary of ours is redesignated as a Subsidiary of ours after January 1, 2003, the lesser of (i) the fair market value of the Investment by us in such Unrestricted Subsidiary as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary (the **Designation Date** ) plus the fair market value of any additional Investments in such Unrestricted Subsidiary made by us after the Designation Date, if any, and (ii) the fair market value of such Investments as measured on the date of such redesignation as a Subsidiary, in each case to the extent such amount was not otherwise included in our Consolidated Net Income.

The foregoing clauses (2) and (3) of the immediately preceding paragraph, however, will not prohibit the following:

(1) any dividend, distribution or other payments by any of our Subsidiaries on its Equity Interests that is paid pro rata to all holders of such Equity Interests;

(2) a Qualified Exchange;

(3) the payment of any dividend on Qualified Capital Stock within 60 days after the date of its declaration if such dividend could have been made on the date of such declaration in compliance with the foregoing provisions;

(4) repurchases of our Capital Stock deemed to occur on the exercise of stock options;

(5) payments in lieu of fractional shares not to exceed \$2 million in the aggregate;

(6) repurchases of our Capital Stock in accordance with a repurchase program that is approved and adopted by our Board of Directors and whose primary purpose is to provide Capital Stock to satisfy our obligations under stock option plans and employee stock purchase plans not to exceed \$3 million per annum;

(7) that portion of Investments the payment for which consists exclusively of our Qualified Capital Stock; or

(8) other Restricted Payments not to exceed \$30 million in the aggregate.

The full amount of any Restricted Payment made pursuant to the foregoing clauses (1), (3), (5), (6) and (8) (but not pursuant to clause (2), (4) and (7)) of the immediately preceding sentence, however, will be counted as Restricted Payments made for purposes of the calculation of the aggregate amount of Restricted Payments available to be made referred to in clause (3) of the first paragraph of this covenant.

For purposes of this covenant, the amount of any Restricted Payment made or returned, if other than in cash, shall be the fair market value thereof, as determined in the good faith reasonable judgment of our Board of Directors, unless stated otherwise, at the time made or returned, as applicable. Additionally, not later than the date of making each Restricted Payment, we shall deliver an Officers Certificate to the Trustee describing in

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reasonable detail the nature of such Restricted Payment, stating the amount of such Restricted Payment, stating in reasonable detail the provisions of the Indenture pursuant to which such Restricted Payment was made and certifying that such Restricted Payment was made in compliance with the terms of the Indenture.

### ***Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries***

We will not and we will not permit any of our Subsidiaries to, directly or indirectly, create, assume or suffer to exist any consensual restriction on the ability of any of our Subsidiaries to pay dividends or make other distributions to or on behalf of, or to pay any obligation to or on behalf of, or otherwise to transfer assets or property to or on behalf of, or make or pay loans or advances to or on behalf of, us or any of our Subsidiaries, except

(1) restrictions imposed by the Notes or the Indenture or by our other Indebtedness ranking senior or *pari passu* with the Notes; *provided* that except as set forth in clause (5) below such restrictions are no more restrictive taken as a whole than those imposed by the Indenture and the Notes,

(2) restrictions imposed by applicable law,

(3) existing restrictions under Existing Indebtedness,

(4) restrictions under any Acquired Indebtedness not incurred in violation of the Indenture or any agreement (including any Equity Interest) relating to any property, asset, or business acquired by us or any of our Subsidiaries, which restrictions in each case existed at the time of acquisition, were not put in place in connection with or in anticipation of such acquisition and are not applicable to any Person, other than the Person acquired, or to any property, asset or business, other than the property, assets and business so acquired,

(5) any restriction imposed by Indebtedness incurred under the Credit Facilities; *provided* that such restriction or requirement is no more restrictive taken as a whole than that imposed by the Credit Agreement as of the Issue Date,

(6) restrictions with respect solely to any of our Subsidiaries imposed pursuant to a binding agreement which has been entered into for the sale or disposition of all or substantially all of the Equity Interests or assets of such Subsidiary; *provided* that such restrictions apply solely to the Equity Interests or assets of such Subsidiary which are being sold,

(7) restrictions on transfer contained in Purchase Money Indebtedness; *provided* that such restrictions relate only to the transfer of the property acquired with the proceeds of such Purchase Money Indebtedness,

(8) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business,

(9) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business, and

(10) in connection with and pursuant to refinancings or replacements of restrictions imposed pursuant to clauses (1), (3), (4), (5) or (7) or this clause (10) of this paragraph that are not more restrictive than those contained in the Indebtedness being refinanced or replaced or contained in the Indebtedness referred to in clauses (1), (3), (4) or (7) of this paragraph (taken as a whole and as in effect on the date of such refinancing or replacement, as the case may be) and do not apply to any other Person or assets than those that would have been covered by the restrictions in the Indebtedness so refinanced.

Notwithstanding the foregoing, (a) customary provisions restricting subletting or assignment of any lease entered into in the ordinary course of business, consistent with industry practice and (b) any asset subject to a Lien which is not prohibited to exist with respect to such asset pursuant to the terms of the Indenture may be subject to customary restrictions on the transfer or disposition thereof pursuant to such Lien.

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### ***Limitations on Layering Indebtedness***

We will not and we will not permit any of the Guarantors to, directly or indirectly, incur or suffer to exist any Indebtedness that is contractually subordinate in right of payment to any other Indebtedness of ours or of such Guarantor, as the case may be, unless, by its terms, such Indebtedness is contractually subordinate in right of payment to, or ranks *pari passu* with, the Notes (in the case of our Indebtedness) or the Guarantee of the Notes (in the case of Indebtedness of a Guarantor).

### ***Limitation on Liens***

We will not, and we will not permit any of our Subsidiaries to, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness, other than Permitted Liens, upon any of our or their respective assets now owned or acquired on or after the date of the Indenture or upon any income or profits therefrom unless we provide, and cause our Subsidiaries to provide, concurrently therewith, that the Notes are equally and ratably so secured; *provided* that if such Indebtedness is Subordinated Indebtedness or is by its terms expressly subordinated to the Guarantee of such Subsidiary (in the case where such Subsidiary is a Guarantor), the Lien securing such Indebtedness shall be subordinate and junior to the Lien securing the Notes or such Guarantee, as the case may be, with the same relative priority as such Subordinated Indebtedness shall have with respect to the Notes or such Guarantee, as the case may be.

### ***Limitation on Sale of Assets and Subsidiary Stock***

We will not, and we will not permit any of our Subsidiaries to, in one or a series of related transactions, convey, sell, transfer, assign or otherwise dispose of, directly or indirectly, any of our or their property, business or assets, including by merger or consolidation (in the case of one of our Subsidiaries), and including any sale or other transfer or issuance of any Equity Interests of any of our Subsidiaries, whether by us or one of our Subsidiaries or through the issuance, sale or transfer of Equity Interests by one of our Subsidiaries and including any sale and leaseback transaction (any of the foregoing, an **Asset Sale** ) unless

(1)(a) an amount equal to the Net Cash Proceeds therefrom (the **Asset Sale Offer Amount** ) is applied within 365 days after the date of such Asset Sale to the repurchase of the Notes and such other Indebtedness on a parity with the Notes and with similar provisions requiring us to make an offer to purchase such Indebtedness with the proceeds from such Asset Sale (including the Existing Notes) pursuant to a cash offer (subject only to conditions required by applicable law, if any) (*pro rata* in proportion to the respective principal amounts (or accreted values in the case of Indebtedness issued with an original issue discount) of the Notes and such other Indebtedness then outstanding) (the **Asset Sale Offer** ) at a purchase price of 100% of the principal amount (or accreted value in the case of Indebtedness issued with an original issue discount) (the **Asset Sale Offer Price** ) together with accrued and unpaid interest and Liquidated Damages, if any, to the date of payment, or

(b) within 365 days following such Asset Sale, the Asset Sale Offer Amount is

(I) invested in property or assets (other than notes, bonds, obligations and securities) which will immediately constitute or be a part of a Related Business of the Company or such Subsidiary (if it continues to be a Subsidiary) immediately following such transaction, or

(II) used to retire Indebtedness secured by the asset which was the subject of the Asset Sale, Indebtedness outstanding under the Credit Facilities or a Foreign Subsidiary Credit Agreement, or other Senior Debt, and to permanently reduce the amount of such Indebtedness under Credit Facilities or a Foreign Subsidiary Credit Agreement, to the extent such permanent reduction is required by such Credit Facility or Foreign Subsidiary Credit Agreement (and, in the case of a revolver or similar arrangement that makes credit available on a committed basis, to permanently reduce the applicable commitment(s) by such amount, to the extent such reduction is required by such agreement, whichever is less), except that, in the case of each of the provisions of clauses (I) and (II), only proceeds from an Asset Sale of assets or capital stock of a Foreign Subsidiary may be invested in or used to retire Indebtedness of a Foreign Subsidiary,



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- (2) at least 75% of the total consideration for such Asset Sale or series of related Asset Sales consists of cash or Cash Equivalents,
- (3) no Default or Event of Default shall have occurred and be continuing at the time of, or would occur after giving effect, on a pro forma basis, to such Asset Sale, and
- (4) our Board of Directors determines in good faith that we or such Subsidiary received, as applicable, fair market value for such Asset Sale.

An acquisition of Notes pursuant to an Asset Sale Offer may be deferred until the accumulated Net Cash Proceeds from Asset Sales not applied as set forth in 1(a) or (b) above (the **Excess Proceeds** ) exceed \$20 million, and each Asset Sale Offer shall remain open for 20 Business Days following its commencement (the **Asset Sale Offer Period** ).

Upon expiration of the Asset Sale Offer Period, we shall apply the Asset Sale Offer Amount plus an amount equal to accrued and unpaid interest and Liquidated Damages, if any, to the purchase of all Indebtedness properly tendered in accordance with the provisions hereof (on a *pro rata* basis if the Asset Sale Offer Amount is insufficient to purchase all Indebtedness so tendered) at the Asset Sale Offer Price (together with accrued interest and Liquidated Damages, if any). To the extent that the aggregate amount of Notes and such other pari passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Asset Sale Offer Amount, we may use any remaining Net Cash Proceeds for general corporate purposes as otherwise permitted by the Indenture and following the consummation of each Asset Sale Offer the Excess Proceeds amount shall be reset to zero. For purposes of (2) above, total consideration received means the total consideration received for such Asset Sales minus the amount of (a) Indebtedness secured solely by the assets sold and assumed by a transferee; *provided* that we are and our Subsidiaries are fully released from obligations in connection therewith, and (b) property that within 30 days of such Asset Sale is converted into cash or Cash Equivalents; *provided* that such cash and Cash Equivalents shall be treated as Net Cash Proceeds attributable to the original Asset Sale for which such property was received.

Notwithstanding, and without complying with, the provisions of this covenant

- (1) we may and our Subsidiaries may, in the ordinary course of business, (a) convey, sell, transfer, assign or otherwise dispose of inventory and other assets acquired and held for resale in the ordinary course of business, (b) liquidate Cash Equivalents and (c) liquidate securities that consist of shares of capital stock that are traded on a nationally recognized stock exchange,
- (2) we may and our Subsidiaries may convey, sell, transfer, assign or otherwise dispose of assets pursuant to and in accordance with the covenant Limitation on Merger, Sale or Consolidation,
- (3) we may and our Subsidiaries may sell or dispose of damaged, worn out or other obsolete property in the ordinary course of business so long as such property is no longer necessary for the proper conduct of our business or the business of such Subsidiary, and we may convey, sell, transfer, assign or otherwise dispose of assets to any Subsidiary provided such transaction is otherwise in compliance with the covenant described below under the heading Transactions with Affiliates, except that we are not required to comply with the provisions of clause (3) of such covenant,
- (4) our Subsidiaries may convey, sell, transfer, assign or otherwise dispose of assets to us or any other Subsidiary,
- (5) we may and our Subsidiaries may, in the ordinary course of business, convey, sell, transfer, assign, or otherwise dispose of assets (or related assets in related transactions) with a fair market value of less than \$10 million,
- (6) we may and our Subsidiaries may exchange assets held by us or such Subsidiaries for assets held by or Equity Interests of any Person or entity; *provided* that (a) the assets received by us or such Subsidiaries in any such exchange will immediately constitute, be a part of, or be used in, and, in the case of Equity

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Interests of another Person, such Person is engaged solely in, a Related Business of the Company or such Subsidiaries, (b) our Board of Directors has in good faith and acting reasonably determined that the terms of any such exchange are fair and reasonable, and (c) any such exchange shall be deemed to be an Asset Sale and we shall be required to comply with the provisions of this covenant to the extent that we or any of our Subsidiaries receives cash or Cash Equivalents in such exchange,

(7) our Subsidiaries may issue their Equity Interests to us or to another Subsidiary,

(8) Permitted Liens may be granted, and

(9) we may and our Subsidiaries may make or liquidate any Restricted Payment or Permitted Investment that is permitted by the covenant described under the caption *Limitation on Restricted Payments*.

All Net Cash Proceeds from an Event of Loss in excess of \$20 million (other than the proceeds of any business interruption insurance) shall be reinvested or used as otherwise provided above in clauses 1(a) or (b) of the first paragraph of this covenant.

Any Asset Sale Offer shall be made in compliance with all applicable laws, rules, and regulations, including, if applicable, Regulation 14E of the Exchange Act and the rules and regulations thereunder and all other applicable Federal and state securities laws. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, our compliance or the compliance of any of our subsidiaries with such laws and regulations shall not in and of itself cause a breach of our obligations under such covenant.

If the payment date in connection with an Asset Sale Offer hereunder is on or after an interest payment Record Date and on or before the associated Interest Payment Date, any accrued and unpaid interest (and Liquidated Damages, if any) due on such Interest Payment Date will be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and such interest (or Liquidated Damages, if applicable) will not be payable to Holders who tender Notes pursuant to such Asset Sale Offer.

### ***Limitation on Transactions with Affiliates***

We will not, and we will not permit any of our Subsidiaries on or after the Issue Date to, enter into or suffer to exist any contract, agreement, arrangement or transaction with any Affiliate (an **Affiliate Transaction**), or any series of related Affiliate Transactions (other than Exempted Affiliate Transactions) unless

(1) it is determined by our senior management or Board of Directors that the terms of such Affiliate Transaction are fair and reasonable to us, and no less favorable to us than could have been obtained in an arm's length transaction with a non-Affiliate,

(2) if involving consideration to either party in excess of \$10 million, such Affiliate Transaction(s) is evidenced by an Officers' Certificate addressed and delivered to the Trustee certifying that such Affiliate Transaction (or Transactions) has been approved by a majority of the members of our Board of Directors that are disinterested in such transaction, and

(3) if involving consideration to either party in excess of \$15 million, we obtain a written favorable opinion as to the fairness of such transaction to us from a financial point of view from an independent investment banking firm of national reputation in the United States or, if pertaining to a matter for which such investment banking firms do not customarily render such opinions, an appraisal or valuation firm of national reputation in the United States.

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### ***Limitation on Merger, Sale or Consolidation***

We will not consolidate with or merge with or into another Person or, directly or indirectly, sell, lease, convey or transfer all or substantially all of our assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person or group of affiliated Persons unless

(1) either (a) we are the continuing entity or (b) the resulting, surviving or transferee entity (the **Surviving Person**) is a corporation organized under the laws of the United States, any state thereof or the District of Columbia and expressly assumes all of our obligations in connection with the Notes, the Indenture and the Registration Rights Agreement,

(2) no Default or Event of Default shall exist or shall occur immediately after giving effect on a pro forma basis to such transaction,

(3) unless such transaction is solely the merger of us with or into any person solely for the purpose of effecting a change in our state of incorporation or us and one of our Subsidiaries and which transaction is not for the purpose of evading this provision, immediately after giving effect to such transaction on a pro forma basis, the Surviving Person would immediately thereafter be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio set forth in the covenant described above under the heading **Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock**, and

(4) each Guarantor, if any, unless such Guarantor is the Person with which we have entered into a transaction under this covenant, shall have by amendment to its Guarantee confirmed that its Guarantee shall apply to our obligations or the obligations of the surviving entity, as applicable, in accordance with the Notes and the Indenture;

*provided* that clauses (2) and (3) above shall not apply to any consolidation or merger or the sale, lease, conveyance or transfer or other disposition of all or substantially all of our assets between us and a Subsidiary.

Upon any consolidation or merger or any transfer of all or substantially all of our assets in accordance with the foregoing, the successor corporation formed by such consolidation or into which we are merged or to which such transfer is made shall succeed to and (except in the case of a lease) be substituted for, and may exercise every right and power of, Bio-Rad under the Indenture with the same effect as if such successor corporation had been named therein as Bio-Rad, and (except in the case of a lease) we shall be released from the obligations under the Notes and the Indenture except with respect to any obligations that arise from, or are related to, such transaction.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise) of all or substantially all of the properties and assets of one or more Subsidiaries, our interest in which constitutes all or substantially all of our properties and assets, shall be deemed to be the transfer of all or substantially all of our properties and assets.

### ***Future Guarantors***

We will not permit any Subsidiary that is not a Guarantor to (a) become a Material Domestic Subsidiary or (b) guarantee any of our Indebtedness or any Indebtedness of any Domestic Subsidiary, unless the Subsidiary that becomes a Material Domestic Subsidiary or the Subsidiary that guaranteed such Indebtedness, as the case may be, simultaneously executes a supplemental indenture to the Indenture providing for the Guarantee of the payment of the Notes by such Subsidiary or Subsidiaries, which Guarantee(s) shall be irrevocable and unconditional in respect of all principal, premium, if any, and interest on the Notes on a senior subordinated basis.

The Guarantee of the Notes of each Guarantor will be subordinated to the prior payment in full of all its Guarantor Senior Debt to the same extent that the Notes are subordinated to our Senior Debt. The obligations of each Guarantor under its Guarantee of the Notes will be limited as necessary to prevent such Guarantee from constituting a fraudulent conveyance under applicable law.

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### ***Release of Guarantors***

No Guarantor will consolidate or merge with or into (whether or not such Guarantor is the surviving Person) another Person unless, subject to the provisions of the following paragraph and certain other provisions of the Indenture,

(1) the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) assumes all the obligations of such Guarantor pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee, pursuant to which such Person shall unconditionally guarantee, on a senior subordinated basis, all of such Guarantor's obligations under such Guarantor's Guarantee on the terms set forth in the Indenture, and

(2) immediately before and immediately after giving effect to such transaction on a pro forma basis, no Default or Event of Default shall have occurred or be continuing.

The provisions of the covenant shall not apply to the merger of any Guarantors with and into each other or with or into us and such merged Guarantor and its Guarantee shall be automatically released upon such merger.

Upon the sale or disposition (whether by merger, stock purchase, Asset Sale or otherwise) of a Guarantor or all or substantially all of its assets to an entity which is not a Subsidiary, or the designation of a Subsidiary to become an Unrestricted Subsidiary, which transaction is otherwise in compliance with the Indenture (including, without limitation, the provisions of the covenant described above under the heading "Limitation on Sale of Assets and Subsidiary Stock"), such Guarantor will be deemed released from its obligations under its Guarantee of the Notes; *provided, however*, that any such termination shall occur only to the extent that all obligations of such Guarantor under all of its guarantees of any of our Indebtedness or any Indebtedness of any other of our Subsidiaries shall also terminate upon such release, sale or transfer and none of its Equity Interests are pledged for the benefit of any holder of any of our Indebtedness or any Indebtedness of any of our Subsidiaries.

### **Reports**

Whether or not we are subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, we will deliver to the Trustee and to each Holder and to prospective purchasers of Notes identified to us by the initial purchaser, at the time we are or would have been (if we were subject to such reporting obligations) required to file such with the Securities and Exchange Commission (the **SEC** or the **Commission**), such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act, if we were subject to the requirements of Section 13 or 15(d) of the Exchange Act, including, with respect to annual information only, a report thereon by our certified independent public accountants as such would be required in such reports to the Commission, and, in each case, together with a management's discussion and analysis of financial condition and results of operations which would be so required and, unless the Commission will not accept such reports, file with the Commission the annual, quarterly and other reports which it is or would have been required to file with the Commission.

### **Events of Default and Remedies**

The Indenture defines an **Event of Default** as

(1) our failure to pay any installment of interest (or Liquidated Damages, if any) on the Notes as and when the same becomes due and payable and the continuance of any such failure for 30 days, whether or not such payment is prohibited by the subordination provisions of the Indenture,

(2) our failure to pay all or any part of the principal or premium, if any, on the Notes when and as the same becomes due and payable at maturity, redemption, by acceleration or otherwise, whether or not such payment is prohibited by the subordination provisions of the Indenture, including, without limitation, payment of the Change of Control Purchase Price or the Asset Sale Offer Price, on Notes validly tendered and not properly withdrawn pursuant to a Change of Control Offer or Asset Sale Offer, as applicable,

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(3) our failure or the failure by any of our Subsidiaries to observe or perform any other covenant or agreement contained in the Notes or the Indenture and, except for the covenants described above under the headings Repurchase of Notes at the Option of the Holder Upon a Change of Control, Limitation on Sale of Assets and Subsidiary Stock and Limitation on Merger, Sale or Consolidation, the continuance of such failure for a period of 45 days after written notice is given to us by the Trustee or to us and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes outstanding,

(4) certain events of bankruptcy, insolvency or reorganization in respect of us or any of our Significant Subsidiaries,

(5) a default in our Indebtedness or the Indebtedness of any of our Subsidiaries with an aggregate amount outstanding in excess of \$50 million (a) resulting from the failure to pay principal at maturity or (b) as a result of which the maturity of such Indebtedness has been accelerated prior to its stated maturity,

(6) final unsatisfied judgments not covered by insurance aggregating in excess of \$10 million, at any one time rendered against us or any of our Subsidiaries and not stayed, bonded or discharged within 60 days, and

(7) any Guarantee of a Guarantor that is a Significant Subsidiary ceases to be in full force and effect or becomes unenforceable or invalid or is declared null and void (other than in accordance with the terms of the Guarantee) or any Guarantor that is a Significant Subsidiary denies or disaffirms its Obligations under its Guarantee.

If a Default occurs and is continuing, the Trustee must, within 90 days after the occurrence of such Default, give to the Holders notice of such Default; *provided* that except in the case of a Default in payment of principal of or interest on any Note, the Trustee may withhold the notice if and so long as the Trustee in good faith determines that withholding the notice is in the interest of the Holders.

If an Event of Default occurs and is continuing (other than an Event of Default specified in clause (4) above relating to us), then in every such case, unless the principal of all of the Notes shall have already become due and payable, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by notice in writing to us (and to the Trustee if given by Holders) (an **Acceleration Notice**), may declare all principal, determined as set forth below, and accrued interest (and Liquidated Damages, if any) thereon to be due and payable immediately; *provided* that if any Designated Senior Debt is outstanding upon a declaration of such acceleration, such principal and interest shall be due and payable upon the earlier of (x) the fifth Business Day after sending to us and to the representative under the Credit Agreement such written notice and (y) the date of acceleration of Designated Senior Debt. If an Event of Default specified in clause (4) above relating to us occurs, all principal and accrued interest (and Liquidated Damages, if any) thereon will be immediately due and payable on all outstanding Notes without any declaration or other act on the part of the Trustee or the Holders. The Holders of a majority in aggregate principal amount of Notes generally are authorized to rescind such acceleration if all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes which have become due solely by such acceleration and except a Default with respect to any provision requiring a supermajority approval to amend, which Default may only be waived by such a supermajority, have been cured or waived.

Prior to the declaration of acceleration of the maturity of the Notes, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding may waive on behalf of all the Holders any Default, except a Default with respect to any provision requiring a supermajority approval to amend, which Default may only be waived by such a supermajority, and except a Default in the payment of principal of or interest on any Note not yet cured or a Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each outstanding Note affected. Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable security or indemnity.

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Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee.

### **Legal Defeasance and Covenant Defeasance**

We may, at our option, elect to have our obligations and the obligations of the Guarantors discharged with respect to the outstanding Notes ( **Legal Defeasance** ). Such Legal Defeasance means that we shall be deemed to have paid and discharged the entire indebtedness represented by the Notes, and the Indenture shall cease to be of further effect as to all outstanding Notes and Guarantees, except as to

(1) rights of Holders to receive payments in respect of the principal of, premium, if any, and interest (and Liquidated Damages, if any) on such Notes when such payments are due from the trust funds,

(2) our obligations with respect to such Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes, and the maintenance of an office or agency for payment and money for security payments held in trust,

(3) the rights, powers, trust, duties, and immunities of the Trustee, and our obligations in connection therewith, and

(4) the Legal Defeasance provisions of the Indenture.

In addition, we may, at our option and at any time, elect to have our obligations and the obligations of the Guarantors released with respect to most of the covenants under the Indenture, except as described otherwise in the Indenture ( **Covenant Defeasance** ), and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, non-payment of guarantees, and, solely for a period of 91 days following the deposit referred to in clause (1) of the next paragraph, bankruptcy, receivership, rehabilitation and insolvency events) described above under the heading Events of Default will no longer constitute an Event of Default with respect to the Notes. We may exercise our Legal Defeasance option regardless of whether we previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance

(1) we must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, U.S. legal tender, U.S. Government Obligations or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest on such Notes on the stated date for payment thereof or on the redemption date of such principal or installment of principal of, premium, if any, or interest on such Notes, and the Holders must have a valid, perfected, exclusive security interest in such trust,

(2) in the case of Legal Defeasance, we shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that:

(a) we have received from, or there has been published by the Internal Revenue Service, a ruling, or

(b) since the date of the Indenture, there has been a change in the applicable federal income tax law,

in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders of such Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred,

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(3) in the case of Covenant Defeasance, we shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to such Trustee confirming that the Holders of such Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred,

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit,

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under the Indenture or any other material agreement or instrument to which we or any of our Subsidiaries are a party or by which we or any of our Subsidiaries are bound,

(6) we shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by us with the intent of preferring the Holders of such Notes over any other of our creditors or with the intent of defeating, hindering, delaying or defrauding any other of our creditors or others, and

(7) we shall have delivered to the Trustee an Officers' Certificate and an opinion of counsel, each stating that the conditions precedent provided for in, in the case of the Officers' Certificate, (1) through (6) and, in the case of the opinion of counsel, clauses (1) (with respect to the validity and perfection of the security interest), (2), (3) and (5) of this paragraph have been complied with.

If the funds deposited with the Trustee to effect Covenant Defeasance are insufficient to pay the principal of, premium, if any, and interest on the Notes when due, then our obligations and the obligations of Guarantors under the Indenture will be revived and no such defeasance will be deemed to have occurred.

## **Satisfaction and Discharge**

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Notes) as to all outstanding Notes when

(1) either (a) all such Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by us and thereafter repaid to us or discharged from such trust) have been delivered to the Trustee for cancellation, or (b) all Notes not theretofore delivered to the Trustee for cancellation otherwise have become due and payable or, within one year will become due and payable or subject to redemption as set forth above under the heading 'Optional Redemption,' and we have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose an amount of money sufficient to pay and discharge the entire Indebtedness (including all principal, premium, if any, and accrued interest and Liquidated Damages, if any) on the Notes not theretofore delivered to the Trustee for cancellation,