

APPLERA CORP  
Form S-4/A  
September 07, 2001

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As filed with the Securities and Exchange Commission on September 7, 2001.

Registration No. 333-64788

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**AMENDMENT NO. 1  
TO  
FORM S-4**

**REGISTRATION STATEMENT**

**UNDER**

**THE SECURITIES ACT OF 1933**

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**APPLERA CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**3826**  
(Primary Standard Industrial  
Classification Code Number)  
**301 Merritt 7**  
**Norwalk, Connecticut 06851-1070**  
**(203) 840-2000**

**06-1534213**  
(I.R.S. Employer  
Identification Number)

(Address, Including Zip Code, and Telephone Number, Including  
Area Code, of Registrant's Principal Executive Offices)

**William B. Sawch, Esq.**  
**Senior Vice President and General Counsel**  
**Applera Corporation**  
**301 Merritt 7**  
**Norwalk, Connecticut 06851-1070**  
**(203) 840-2000**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

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**Copies to:**

**Richard Capelouto, Esq.**  
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3330 Hillview Avenue  
Palo Alto, California 94304  
(650) 251-5000

**Ora T. Fisher, Esq.**  
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135 Commonwealth Drive  
Menlo Park, California 94025  
(650) 328-4600

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective time of the merger of a wholly owned subsidiary of the registrant with Axys Pharmaceuticals, Inc., which shall occur as soon as practicable after the effective date of this registration statement and the satisfaction of all conditions to the closing of the merger.

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If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. //

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. //

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. //

### CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(3)
Applera Corporation Celera Genomics Group Common Stock, par value \$0.01 per share (including the rights associated with those shares pursuant to Applera Corporation's Stockholder Protection Rights Agreement)(4)	6,929,608 shares	Not applicable	\$211,212,417(2)	\$52,803

- (1) Represents the maximum number of shares of Applera Corporation Celera Genomics Group Common Stock, par value \$0.01 per share ("Applera Celera stock"), including the rights associated with those shares pursuant to Applera Corporation's Stockholder Protection Rights Agreement, issuable upon consummation of the merger based upon a maximum exchange ratio of 0.1355 shares of Applera Celera stock to be exchanged for (a) each share of common stock, par value \$.001 per share, of Axys Pharmaceuticals, Inc., that would be outstanding if all Axys Pharmaceuticals, Inc. stock options and warrants outstanding on June 12, 2001 were exercised, and all Axys Pharmaceuticals, Inc. 8% Senior Secured Convertible Notes due 2004 outstanding on June 12, 2001 were converted and (b) each share of Axys Pharmaceuticals, Inc. common stock that could be issued upon the exercise of stock options granted by Axys Pharmaceuticals, Inc. to employees hired after June 12, 2001, but before the effective time of the merger.
- (2) Pursuant to Rule 457(f)(1) of the Securities Act, this amount represents the maximum aggregate offering price which would be computed by using the average of the high and low prices of Axys common stock reported by the Nasdaq National Market on July 5, 2001. This amount is estimated solely for the purpose of calculating the registration fee.
- (3) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended, and computed pursuant to Rule 457(f) and (c) under the Securities Act based on (i) \$4.13, the average of the high and low sales prices for shares of Axys common stock on the Nasdaq National Market on July 5, 2001, (ii) the number of shares of Axys common stock outstanding as of the close of business on July 5, 2001, and (iii) the estimated maximum number of options to acquire shares of Axys common stock assumed by Applera as a result of the merger of Axys with a subsidiary of Applera. The Registration Fee was previously paid with an accompanying overpayment on or about July 9, 2001.
- (4) Includes associated rights to purchase 1/1000th of a share of Applera Corporation's Series B participating junior preferred stock. Until the occurrence of prescribed events, the rights are not exercisable, are evidenced by the certificates representing Applera Celera stock and will be transferred only with shares of Applera Celera stock.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

[Axys Pharmaceuticals, Inc. Letterhead]

[October 1], 2001

Dear Stockholder:

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You are cordially invited to attend our special meeting of stockholders on [October 31], 2001, at 10:00 a.m., Pacific Time, at Axys' headquarters located at 180 Kimball Way, South San Francisco, California 94080. [NOTE: Axys has not yet declared a meeting date; a date of October 31, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.]

At the special meeting, we will ask you to vote on the merger of Axys and Applera Corporation. In the merger, you will receive shares of Applera Corporation Celera Genomics Group Common Stock (NYSE: CRA). The exact number of shares of Applera Celera stock that you will receive will be determined by an exchange ratio that will be calculated based on the average closing price of Applera Celera stock over the 10 trading days immediately preceding (but excluding) the second trading day prior to the closing of the merger as follows:

if this 10-day average closing price is greater than \$60.27, the fraction will be fixed at 0.0813 share;

if this 10-day average closing price is greater than \$48.23 and less than or equal to \$60.27, the fraction will be \$4.90 divided by this 10-day average closing price;

if this 10-day average closing price is equal to or greater than \$45.77 and less than or equal to \$48.23, the fraction will be 0.1016 share;

if this 10-day average closing price is less than \$45.77 and greater than or equal to \$34.32, the fraction will be \$4.65 divided by this 10-day average closing price; and

if this 10-day average closing price is less than \$34.32, the fraction will be fixed at 0.1355 share.

If the merger had closed on August 31, 2001, for each of your shares of Axys common stock you would have received 0.1355 share of Applera Celera stock having a market value of \$3.65 based on the closing price of \$26.55 per share of Applera Celera stock on August 31, 2001. At the time of the special meeting, you will not necessarily know the exact number of shares or the exact market price of the Applera Celera stock that will be issued in connection with the merger. The maximum number of shares of Applera Celera stock that could be issued in exchange for shares of Axys common stock under the merger agreement is a total of 6,929,608 shares of Applera Celera stock, based upon the maximum exchange ratio of 0.1355 and the number of shares of Axys common stock and Axys stock options, warrants and convertible notes outstanding on the date the merger agreement was signed and Axys stock options expected to be issued prior to the merger. We urge you to obtain current market quotations for Applera Celera stock and Axys common stock prior to making any decision with respect to the merger. We expect that the merger will be tax-free to you for United States federal income tax purposes, except for cash received in place of fractional shares.

We cannot complete the merger unless holders of a majority of the outstanding shares of Axys common stock vote for the approval and adoption of the merger agreement. Only stockholders who hold shares of Axys common stock at the close of business on [September 27], 2001 will be entitled to vote at the special meeting. [NOTE: Axys has not yet declared a record date; a date of September 27, 2001, has been assumed solely for purposes of disclosure in this proxy statement/prospectus.]

The enclosed proxy statement/prospectus gives you detailed information about the proposed merger and includes the merger agreement as an annex. We encourage you to read carefully the proxy statement/prospectus, including its annexes. **You should also consider the matters discussed under "Risk Factors" on page 20 of the accompanying proxy statement/prospectus before voting.**

After careful consideration, the Axys board of directors has unanimously approved the merger agreement, has unanimously determined that the merger is advisable and fair to you and in your best interests and unanimously recommends that you vote "FOR" the approval and adoption of the merger agreement and the approval of the merger.

Your vote is very important. Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy card and return it in the enclosed prepaid envelope. If you attend the special meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card. Your prompt cooperation will be greatly appreciated.

Sincerely,

Paul J. Hastings  
President and Chief  
Executive Officer

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in the accompanying proxy statement/prospectus or the Applera Celera stock to be issued in connection with the merger, or determined if the

accompanying proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

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**This proxy statement/prospectus is dated [October 1], 2001, and is first being mailed to the stockholders of Axys Pharmaceuticals, Inc. on or about [October 2], 2001. [NOTE: This proxy statement-prospectus has not yet been dated or mailed; a date of October 1, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.]**

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**AXYS PHARMACEUTICALS, INC.**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON [OCTOBER 31], 2001**

A special meeting of stockholders of Axys Pharmaceuticals, Inc. will be held at Axys' headquarters located at 180 Kimball Way, South San Francisco, California 94080 on [October 31], 2001 at 10:00 a.m. Pacific Time [NOTE: Axys has not yet declared a meeting date; a date of October 31, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.], to consider and vote on the following matters described in the accompanying proxy statement/prospectus:

1. A proposal to approve and adopt an Agreement and Plan of Merger, dated as of June 12, 2001, among Axys, Applera Corporation and Angel Acquisition Sub, Inc., a subsidiary of Applera Corporation, and to approve the merger contemplated by that agreement; and
2. Such other and further business as may properly come before the special meeting or before any adjournment or postponement of the special meeting.

The board of directors of Axys has fixed the close of business on [September 27], 2001 as the record date for the determination of stockholders entitled to receive notice of and to vote at the special meeting. [NOTE: Axys has not yet declared a record date; a date of September 27, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.] A list of the stockholders entitled to vote will be open to the examination of stockholders at the offices of Axys at 180 Kimball Way, South San Francisco, California 94080, during ordinary business hours for 10 days prior to the date of the meeting.

Axys cannot complete the merger unless the holders of a majority of the outstanding shares of Axys common stock vote to adopt the merger agreement. Holders of Axys common stock will not have appraisal rights under Delaware law in connection with the merger.

The board of directors of Axys has unanimously approved the merger agreement and the merger and recommends that you vote FOR approval and adoption of the merger agreement and approval of the merger. The proposal is described in more detail in the accompanying proxy statement/prospectus, which you should read in its entirety before voting. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement/prospectus.

By Order of the Board of  
Directors,

Paul Hastings  
President and Chief Executive  
Officer

South San Francisco, California  
[October 1], 2001 [NOTE: This notice has not yet been dated; a date of October 1, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.]

**Your Vote Is Important!**

To be sure your shares are represented at the meeting, please complete, date, sign and return your proxy card in the enclosed postage-paid envelope as soon as possible. You may vote in person at the meeting even if you send in your proxy card.

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**REFERENCE TO ADDITIONAL INFORMATION**

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This proxy statement/prospectus "incorporates by reference" important business and financial information about Applera that is not included or delivered with this proxy statement/prospectus. You may obtain documents incorporated by reference in this proxy statement/prospectus without charge by requesting them in writing or by telephone from Applera at the following address:

Applera Corporation  
301 Merritt 7  
Norwalk, Connecticut 06851-1070  
(203) 840-2000  
Attn.: Secretary

**If you would like to request any documents, please do so by [October 24], 2001 in order to receive them before the special meeting. [NOTE: this date has not yet been determined; a date of October 24, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.]**

For a more detailed description of the information incorporated by reference by Applera into this proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" on page 137.

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### QUESTIONS AND ANSWERS ABOUT THE MERGER

- Q:** What am I being asked to vote upon?
- A:** You are being asked to vote to approve and adopt the merger agreement entered into between Axys and Applera and to approve the merger contemplated by the merger agreement. In the merger, a wholly owned subsidiary of Applera will be merged with and into Axys. After the merger is completed, Axys, which will be the company surviving the merger, will be a wholly owned subsidiary of Applera. After the merger, the operations of Axys will be integrated into the research and development and business operations of the Celera Genomics group of Applera, which is one of the two operating groups through which Applera conducts its business.
- Q:** What will I receive in the merger for my shares of Axys common stock?
- A:** If the merger is completed, you will receive shares of Applera Corporation Celera Genomics Group Common Stock (NYSE: CRA) (which we refer to in this proxy statement/prospectus as Applera Celera stock) in exchange for your shares of Axys common stock. Applera Celera stock is a "tracking stock" issued by Applera that is designed to reflect the performance of the business conducted by the Celera Genomics group.

The exact number of shares of Applera Celera stock that you will receive will be determined by an exchange ratio that will fluctuate with the market price of Applera Celera stock and be subject to a version of a mechanism commonly referred to as a "collar" that reduces your exposure to losses and gains from market price fluctuation within specified market price ranges. The exchange ratio is calculated based on the average closing price of Applera Celera stock over the 10 trading days immediately preceding (but excluding) the second trading day prior to the closing of the merger. The actual number of shares of Applera Celera stock that you will receive in exchange for your shares of Axys common stock will be calculated at the time of the closing of the merger. A more complete description of this exchange ratio is included later in this proxy statement/prospectus beginning on page 56. We encourage you to read that section carefully.

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If the closing of the merger were to have occurred on August 31, 2001, for each of your shares of Axys common stock you would have received 0.1355 shares of Applera Celera stock having a market value of \$3.65 based on the closing price of \$26.55 per share of Applera Celera stock on August 31, 2001, and the total consideration paid to all holders of outstanding Axys common stock would have been Applera Celera stock with an approximate total price of \$147 million, based on the average closing price of Applera Celera stock during the calculation period. You will receive cash instead of fractional shares, as described in this proxy statement/prospectus under "The Merger Fractional Shares."

**Q:** What is a "tracking stock"?

**A:** Applera Celera stock is a "tracking stock" which is issued by Applera and is intended to reflect the relative performance of the Celera Genomics group. It is listed on the New York Stock Exchange under the ticker symbol "CRA." If the merger is completed, the business of Axys will be conducted as part of the Celera Genomics group.

A "tracking stock" is a class of stock of a corporation designed to "track" the performance of a specific business within the larger corporation. Although holders of a "tracking stock" are equity holders of the larger corporation, "tracking stock" is intended to reflect or "track" the performance of a group of assets or division within the larger corporation. Investors commonly refer to this type of common stock as "tracking stock," "targeted stock" or "letter stock." Holders of Applera Celera stock do not have the same rights as typical common stockholders of a corporation without "tracking stock."

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Applera conducts its business through two operating groups: the Celera Genomics group and the Applied Biosystems group. Applera Corporation Applied Biosystems Group Common Stock (NYSE: ABI) (which we refer to in this proxy statement/prospectus as Applera Applied Biosystems stock) is a "tracking stock" intended to reflect the relative performance of the Applied Biosystems group of Applera. The Applied Biosystems group and the Celera Genomics group are not separate legal entities, and holders of these stocks are stockholders of a single company, Applera. This means that the assets Applera attributes to one group could be subject to the liabilities of the other group. Holders of Applera Celera stock will be subject to all of the risks relating to an investment in Applera, including the Applied Biosystems group. For more information about "tracking stock," see "Risk Factors Risks Related to a Capital Structure with Two Separate Classes of Common Stock" in this proxy statement/prospectus.

**Q:** Will I be able to sell the shares of Applera Celera stock I receive in the merger?

**A:** Yes. All stockholders of Axys, other than those deemed to be affiliated with or controlling stockholders of Axys, will generally be free to sell their shares of Applera Celera stock received in the merger. Affiliates of Axys will be able to sell their shares of Applera Celera stock within the limits permitted by Rule 145 under the Securities Act.

**Q:** What tax basis will holders of Axys common stock have in the Applera Celera stock they receive in the merger?

**A:** Your tax basis in your shares of Applera Celera stock will equal your current tax basis in your Axys common stock reduced by the amount of basis allocable to fractional shares for which you receive a cash payment.

**Q:** What will happen to options to purchase shares of Axys common stock?

**A:** Each option to purchase Axys common stock outstanding at the time of the merger will be assumed by Applera and converted into an option to purchase shares of Applera Celera stock. The option will be exercisable for a number of shares of Applera Celera stock equal to the number of shares of Axys common stock subject to the option multiplied by the exchange ratio (rounded down to the nearest whole share) and the exercise price per share will equal the existing option exercise price divided by the exchange ratio (rounded up to the nearest whole cent). However, in no event will the option exercise price for stock options held by Axys employees and consultants be higher than the closing price of a share of Applera Celera stock on the date immediately prior to the closing of the merger.

**Q:** What if the merger is not completed?

**A:** If the merger is not completed, Axys will continue to operate as an independent company, and neither Applera nor Axys will be under any obligation to purchase your Axys common stock. Axys may be required to pay a termination fee if the merger is not completed for reasons described under "The Merger Termination of the Merger Agreement Termination Fee" in this proxy statement/prospectus.

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**Q:** How do I vote?



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**A:** After carefully reading and considering the information contained in, or incorporated by reference in, this proxy statement/prospectus, please complete and sign your proxy and return it in the enclosed return envelope as soon as possible so that your shares may be represented at the special meeting. If you sign and send in your proxy and do not indicate how you want to vote, we will count your proxy as a vote in favor of approval and adoption of the merger agreement and approval of the merger. If you abstain from voting or do not vote your shares by proxy or in person, it will have the same effect as a vote against approval and adoption of the merger agreement and approval of the merger.

The special meeting will be held at Axys' headquarters located at 180 Kimball Way, South San Francisco, California 94080 on [October 31], 2001 at 10:00 a.m. Pacific Time. [NOTE: Axys has not yet declared a meeting date; a date of October 31, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.] You may attend the special meeting and vote your shares in person, rather than signing and mailing your proxy.

**Q:** If my shares are held in a brokerage account or in "street name" by my broker, how do I vote?

**A:** Your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker on how to instruct your broker to vote your shares. If you do not instruct your broker, your shares will not be voted, which will have the same effect as a vote against adoption of the merger agreement.

**Q:** Can I change my vote after I have mailed my proxy card?

**A:** Yes. You can change your vote at any time before your proxy is voted at Axys' special meeting. You can do this in one of three ways. First, you can send a written notice to the Secretary of Axys, William J. Newell, stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy card by following the instructions on the proxy card. Third, you can attend Axys' special meeting and vote in person.

**Q:** Should I send in my stock certificates now?

**A:** No. After the merger is completed, you will receive written instructions for exchanging your stock certificates. Please do not send in your stock certificates with your proxy.

**Q:** When do you expect the merger to be completed?

**A:** We are working to complete the merger as quickly as possible. We expect the merger to be completed in [October] of 2001. The merger agreement requires that the merger be completed by December 31, 2001.

**Q:** Who can help answer my questions?

**A:** If you have more questions about the merger or need assistance in voting your shares, you should contact:

MacKenzie Partners, Inc.  
156 Fifth Avenue  
New York, New York 10010  
212-929-5500 or 1-800-322-2885

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### SUMMARY OF THE PROXY STATEMENT/PROSPECTUS

We are sending this proxy statement/prospectus to holders of Axys common stock. This summary highlights selected information from this proxy statement/prospectus and may not contain all the information that is important to you. To better understand the merger, you should read this entire document carefully, including the agreement and plan of merger attached as Annex A, the opinion of JPMorgan H&Q, a division of J.P. Morgan Securities, Inc., attached as Annex B, and the other documents to which we refer. In addition, we incorporate by reference in this proxy statement/prospectus important business and financial information about Applera. You may obtain the information incorporated by reference in this proxy statement/prospectus without charge by following the instructions in the section entitled "Where You Can Find More Information" on page 137. We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.

#### The Companies

**APPLERA CORPORATION (see page 110)**

301 Merritt 7  
Norwalk, Connecticut 06851-1070  
(203) 840-2000

Applera Corporation was incorporated in Delaware in 1998 and succeeded by recapitalization to the business of PE Corporation (NY) (formerly The Perkin-Elmer Corporation) in May 1999. Applera conducts its business through two operating groups: the Celera Genomics group and the Applied Biosystems group. Applera has two classes of common stock, Applera Celera stock and Applera Applied Biosystems stock, that are intended to reflect the relative performance of these groups. For more information about Applera's two classes of common stock, see "Description of the Applera Capital Stock" and "Risk Factors Risks Related to a Capital Structure with Two Separate Classes of Common Stock" in this proxy statement/prospectus.

The Celera Genomics group is engaged principally in integrating advanced technologies to create therapeutic discovery and development capabilities for internal use and for its customers and collaborators. The Celera Genomics group's businesses are its online information business and its therapeutics discovery business. The online information business is a leading provider of information based on the human genome and related biological and medical information. Pharmaceutical, biotechnology, and academic customers use this information, along with customized information technology solutions provided by the Celera Genomics group, to enhance their capabilities in the fields of life science research and pharmaceutical and diagnostic discovery and development. The Celera Genomics group recently expanded its focus to include therapeutic discovery. The Celera Genomics group intends to leverage its capabilities in the study of genes and proteins and their relationship to diseases, both in internal programs and through collaborations, to identify drug targets and diagnostic markers, and to discover novel therapeutic candidates. Initially, the Celera Genomics group intends to focus its therapeutic discovery efforts in the field of oncology.

The Applied Biosystems group is a world leader in the development, manufacture, sale and service of instrument systems and associated consumable products for life science research and related applications. Its products are used in various applications including the synthesis, amplification, purification, isolation, analysis and sequencing of nucleic acids, proteins and other biological molecules.

Applera has formed Celera Diagnostics as a joint venture between the Celera Genomics group and the Applied Biosystems group in the field of diagnostics. Applera expects that Celera Diagnostics will be focused on the discovery, development, and commercialization of novel diagnostic tests.

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The information contained on Applera's website is not incorporated by reference in this proxy statement/prospectus.

**AXYS PHARMACEUTICALS, INC. (see page 76)**

180 Kimball Way  
South San Francisco, California 94080  
(650) 829-1000

Axys, a Delaware corporation, is an integrated drug discovery and development company that has a broad pipeline of product candidates for chronic therapeutic applications that are partnered with world-class pharmaceutical companies, or for which Axys is seeking partners, and a portfolio of proprietary cancer related therapeutic products. Axys also has investments in affiliated businesses that use the Axys technologies. Currently, these companies include Discovery Partners International, Inc. (Nasdaq: DPII), a chemistry services company, DNA Sciences, Inc., a genetics company and Akkadix Corporation, an agricultural biotechnology company.

The information contained on Axys' website is not incorporated by reference in this proxy statement/prospectus.

**ANGEL ACQUISITION SUB, INC. (see page 110)**

c/o Applera Corporation  
301 Merritt 7  
Norwalk, Connecticut 06851-1070  
(203) 840-2000

Angel Acquisition, a Delaware corporation, is a wholly owned subsidiary of Applera that was organized solely for purposes of completing the merger.

**The Special Meeting (see page 38)**

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The special meeting of stockholders of Axys will be held at 10:00 a.m. Pacific Time, on [October 31], 2001, at Axys' headquarters located at 180 Kimball Way, South San Francisco, California 94080. [NOTE: Axys has not yet declared a meeting date; a date of October 31, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.]

At the special meeting, we will ask the holders of shares of Axys common stock to:

approve and adopt the merger agreement and approve the merger; and

conduct any other business properly brought before the meeting.

### **Record Date; Vote Required (see page 38)**

You can vote, or submit a proxy to vote, at the special meeting if you were a record holder of Axys common stock at the close of business on [September 27], 2001, the record date for determining which holders of Axys common stock are entitled to vote at the special meeting. [NOTE: Axys has not yet declared a record date; a date of September 27, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.] At the record date, there were [ ] shares of Axys common stock entitled to vote at the special meeting.

Holders of Axys common stock as of the record date are entitled to one vote per share on each matter to be voted on at the special meeting.

The merger will be approved only if the holders of a majority of the outstanding shares of Axys common stock entitled to vote at the special meeting vote for the proposal to approve and adopt the merger agreement and approve the merger.

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### **Reasons of Axys for the Merger (see page 45)**

Since its inception, Axys has been focused on developing a state-of-the-art drug discovery system. Axys believes that the effectiveness of this system has been demonstrated in its partnerships with Merck, Bayer and Aventis. To more fully take advantage of the potential of its technologies as well as the expertise of Axys' scientific teams, Axys has determined that it needs a source of new targets for drug therapies. The delivery of potential targets for drug discovery has been at the core of the work of the Celera Genomics group in the human genome, and remains so in its future plans. Hence, Axys believes that Axys and the Celera Genomics group have complementary strengths which are expected to enable the combined company to move forward more quickly and effectively in the research and development of innovative drug candidates. In addition, holders of Axys common stock will have the opportunity to participate in a larger and better capitalized organization and to benefit from potential appreciation in Applera Celera stock. Axys believes that these and other factors should provide a greater opportunity for increased value for the stockholders of Axys than could be achieved on a stand-alone basis.

### **Reasons of Applera for the Merger (see page 48)**

Applera believes that the merger will enable the combined company to compete more effectively and achieve a number of strategic objectives, particularly the expansion of the business of the Celera Genomics group into therapeutic drug discovery and development. In addition, Applera believes that the culture and employees of Axys and the Celera Genomics group, as well as their respective capabilities, technology, programs and products, will be both complementary and compatible, which will facilitate integration of Axys with the Celera Genomics group.

### **Recommendation of the Axys Board of Directors (see page 47)**

The Axys board of directors has unanimously approved the merger agreement and the merger and has determined that the merger is advisable and fair to, and in the best interests of, Axys and its stockholders. The board of directors of Axys unanimously recommends that holders of Axys common stock vote FOR the approval and adoption of the merger agreement and the approval of the merger.

### **Opinion of Financial Advisor to the Axys Board of Directors (see page 48)**

The board of directors of Axys received an opinion dated as of June 12, 2001 from its financial advisor, JPMorgan H&Q, a division of J.P. Morgan Securities Inc., that, as of the date of the opinion and subject to the assumptions and limitations in the opinion, the "exchange ratio" specified in the merger agreement was fair, from a financial point of view, to the holders of Axys common stock.

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This opinion is attached as Annex B to this proxy statement/prospectus. We encourage you to read this opinion in its entirety.

### Terms of the Merger Agreement

We have attached the merger agreement, which is the legal document that governs the merger, as Annex A to this proxy statement/prospectus. We encourage you to read the merger agreement in its entirety.

#### *Conversion of Shares and Options (see page 55)*

In the merger, each share of Axys common stock will be exchanged for a fraction of a share of Applera Celera stock as determined in accordance with the merger agreement and as described in this proxy statement/prospectus. Holders will receive only whole shares of Applera Celera stock, and

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will receive cash instead of fractional shares, as described in this proxy statement/prospectus under "The Merger Fractional Shares."

#### *Conditions to the Completion of the Merger (see page 64)*

Several conditions must be satisfied or waived before the merger will be completed. These include:

the approval of the merger and approval and adoption of the merger agreement by the Axys stockholders;

the absence of any injunction, temporary restraining order, or other legal restraint that prohibits the merger;

the absence of any suit or other proceeding by any government entity which seeks to prohibit the merger, limit Applera's ownership or operation of any material portion of Axys, or impose limitations on the ability of Applera to exercise ownership rights of any shares of Axys as the surviving corporation after the merger;

the accuracy, in all material respects, of the representations and warranties of Applera and Axys in the merger agreement;

the fulfillment of the obligations of Axys, Applera and Angel Acquisition under the merger agreement; and

receipt of legal opinions from counsel to the effect that the merger will qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended.

#### *Non-Solicitation Covenant (see page 62)*

Axys has agreed, subject to limited exceptions, not to initiate or engage in discussions with another party about a business combination with the other party prior to the termination of the merger agreement.

#### *Termination (see page 65)*

Applera and Axys may mutually agree to terminate the merger agreement at any time. In addition, either Applera or Axys may terminate the merger agreement if specified events do or do not occur. These include:

if a court or government regulator permanently prohibits the merger;

if the merger is not completed on or before December 31, 2001, other than as a result of the failure by the party proposing to terminate the merger agreement to perform its obligations;

if the holders of Axys common stock fail to approve and adopt the merger agreement and approve the merger at the special meeting; or

if the other party breaches its representations or agreements so that a closing condition would not be satisfied and the breach, if curable, remains uncured 30 days following notice to the breaching party.

Applera may also terminate the merger agreement if:

the Axys board of directors withdraws or modifies, in a manner adverse to Applera, its recommendation of the merger agreement and the merger, or approves or recommends another acquisition proposal; or

the Axys board of directors fails to recommend rejection of any tender offer or exchange offer for more than 15% of the outstanding shares of Axys common stock.

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The merger agreement may also be terminated by Axys if the Axys board of directors concludes in good faith after consultation with outside legal counsel that in order to avoid violating its fiduciary duties in connection with a proposal for an alternative transaction that meets specified standards, it must withdraw or modify its recommendation of the merger agreement and the merger and it withdraws or modifies its recommendation. For more information with respect to Axys' ability to terminate the merger agreement because of the fiduciary duties of its board of directors, see "The Merger Termination of the Merger Agreement" in this proxy statement/prospectus.

*Termination Fee (see page 66)*

Axys will pay Applera a fee of \$5.6 million and up to \$900,000 in out-of-pocket expenses if the merger agreement is terminated under circumstances including a withdrawal of or change in the recommendation of the Axys board of directors in a manner that is adverse to Applera or the completion of an alternative transaction that was publicly announced prior to the termination of the merger agreement. These circumstances are described in detail in "The Merger Termination of the Merger Agreement Termination Fee" in this proxy statement/prospectus.

*Regulatory Matters (see page 65)*

The merger is subject to the requirements of the Hart-Scott-Rodino Act. On June 29, 2001, Applera and Axys filed the requisite Pre-Merger Notification and Report Forms with the United States Federal Trade Commission and the United States Department of Justice. The waiting period under the Hart-Scott-Rodino Act expired on July 30, 2001.

*Accounting Treatment (see page 70)*

For accounting and financial reporting purposes, the merger will be treated as a purchase by Applera under generally accepted accounting principles.

*NYSE Listing (see page 65)*

Applera will list the Applera Celera stock to be issued in the merger on the New York Stock Exchange.

**Material United States Federal Income Tax Consequences (see page 68)**

We intend that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, for United States federal income tax purposes and have conditioned the merger upon the receipt of legal opinions that the merger will so qualify. Assuming the merger qualifies as a reorganization, neither Applera nor Axys, nor their respective stockholders, will recognize any gain or loss for United States federal income tax purposes as a result of the merger, except for tax that may be payable by holders of Axys common stock because of cash received for fractional shares.

**Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. You should consult your own tax advisor to fully understand the tax consequences of the merger to you.**

**Interests of Axys' Officers and Directors in the Merger (see page 70)**

When considering the recommendation of the Axys board of directors, you should be aware that Axys officers and directors have interests in the merger that may be different from, or in addition to, your interests as stockholders. These interests exist in part because of rights they may have under Axys employment agreements and benefits plans. In addition, the merger agreement requires that after completion of the merger Applera must cause Axys, as the company surviving the merger, to indemnify

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the directors and officers of Axys for events occurring before the merger, including events that are related to the merger.

**Dissenters' Rights (see page 75)**

Under Delaware law, stockholders of Axys will not be entitled to exercise dissenters' appraisal rights in connection with the merger.

**Comparison of Rights of Holders of Applera Celera Stock and Axys Common Stock (see page 133)**

Applera's certificate of incorporation and bylaws and Axys' certificate of incorporation and bylaws are different. In particular, Applera Celera stock is a "tracking stock" and Axys common stock is not. As a result, the holders of Axys common stock will have different rights as holders of Applera Celera stock, since holders of a "tracking stock" do not have the same rights as typical common stockholders of a corporation without "tracking stock." This is not the only difference between the rights of Applera Celera stock and Axys common stock. For more information, see "Description of Applera Capital Stock" and "Risk Factors Risks Related to a Capital Structure with Two Separate Classes of Common Stock" in this proxy statement/prospectus.

**Comparative Market Price and Dividend Information (see page 18)**

Shares of Applera Celera stock are listed on the New York Stock Exchange under the symbol "CRA." On June 12, 2001, the last full trading day prior to the public announcement of the proposed merger, Applera Celera stock closed at \$41.75 per share. On [September 28, 2001], the last full trading day prior to the date of this proxy statement/prospectus, Applera Celera stock closed at \$[ ] per share. [NOTE: this proxy statement/prospectus has not yet been dated; a date of September 28, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.]

Shares of Axys common stock are traded on the Nasdaq National Market under the symbol "AXPH." On June 12, 2001, the last full trading day prior to the public announcement of the proposed merger, Axys' common stock closed at \$3.45 per share. On [September 28, 2001], the last full trading day prior to the date of this proxy statement/prospectus, Axys' common stock closed at \$[ ] per share. [NOTE: this proxy statement/prospectus has not yet been dated; a date of September 28, 2001 has been assumed solely for purposes of disclosure in this proxy statement/prospectus.]

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**SELECTED HISTORICAL CONSOLIDATED AND COMBINED FINANCIAL INFORMATION  
AND SELECTED UNAUDITED PRO FORMA CONSOLIDATED AND  
COMBINED FINANCIAL INFORMATION**

**Applera Selected Historical Consolidated Financial Information**

The following selected consolidated financial information has been derived from the consolidated financial statements of Applera for each of the five fiscal years in the period ended June 30, 2000, and the nine month periods ended March 31, 2000 and 2001. The information set forth below should be read in conjunction with the Applera (formerly PE Corporation) consolidated financial statements and notes thereto contained in the Applera Annual Report to Stockholders for the year ended June 30, 2000, and in the Applera Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2001, each incorporated herein by reference. The data for the nine month periods ended March 31, 2000 and 2001 has been derived from unaudited financial statements that, in the opinion of management, reflect all adjustments, consisting only of normal

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recurring adjustments, necessary for a fair presentation of results for the periods covered. The operating results for the nine months ended March 31, 2001 are not necessarily indicative of the results that may be expected for the entire fiscal year.

On May 6, 1999, Applera recapitalized and issued two new classes of common stock, the Applera Celera stock and the Applera Applied Biosystems stock, to the stockholders of Applera's predecessor. Effective November 30, 2000, Applera, which was named "PE Corporation" at the time of the recapitalization, was renamed "Applera Corporation," and the Applied Biosystems group, which was named the "PE Biosystems" group at the time of the recapitalization, was renamed the "Applied Biosystems" group. Therefore, neither the Applera Celera stock nor the Applera Applied Biosystems stock was issued or outstanding at any time prior to May 6, 1999.

All share and per share amounts have been restated to reflect all prior stock splits of Applera Applied Biosystems stock and Applera Celera stock.

A number of items impact the comparability of this information. Before-tax amounts include:

Restructuring, other merger costs, and acquisition-related costs of \$17.5 million for fiscal 1996, \$48.1 million for fiscal 1998, \$6.1 million for fiscal 1999, and \$2.1 million for fiscal 2000;

A restructuring reserve adjustment of \$9.2 million for fiscal 1999 relating to excess fiscal 1998 restructuring liabilities;

Gains on investments of \$11.7 million for fiscal 1996, \$64.9 million for fiscal 1997, \$1.6 million for fiscal 1998, \$6.1 million for fiscal 1999, \$48.6 million for fiscal 2000, \$25.8 million for the nine months ended March 31, 2000, and \$15.0 million for the nine months ended March 31, 2001;

Acquired research and development charges of \$33.9 million for fiscal 1996, \$26.8 million for fiscal 1997, and \$28.9 million for fiscal 1998;

Charges for the impairment of assets of \$9.9 million for fiscal 1996, \$0.7 million for fiscal 1997, and \$14.5 million for fiscal 1999;

Tax benefit and valuation allowance reductions of \$22.2 million for fiscal 1999;

A charge of \$3.5 million for a donation to Applera's charitable foundation for fiscal 1999;

Foreign currency hedge contract-related gain of \$2.3 million for fiscal 1999;

Charges of \$9.2 million for fiscal 1999 relating to the recapitalization of Applera;

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Charges relating to the acceleration of some of Applera's long-term compensation programs as a result of the attainment of performance targets of \$10.1 million for fiscal 1999, \$45.0 million for fiscal 2000, and \$21.6 million for the nine months ended March 31, 2000; and

A gain of \$8.2 million on the sale of real estate for fiscal 2000.

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Fiscal Years Ended June 30,

Nine Months Ended March 31,

	1996	1997	1998	1999	2000	2000	2001
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(Dollar amounts in thousands except per share amounts)

**Financial Operations**

Net revenues	\$ 642,218	\$ 768,368	\$ 944,306	\$ 1,216,897	\$ 1,371,035	\$ 979,337	\$ 1,227,765
Income from continuing operations	1,310	102,492	15,694	96,797	95,496	62,105	80,256
Per share of common stock:							
Basic	.03	2.16	.32				
Diluted	.03	2.07	.31				
Income (loss) from discontinued operations (net of income taxes)	(37,833)	27,906	40,694	79,058			
Net income (loss)	(36,523)	130,398	56,388	175,855	95,496	62,105	80,256
Per share of common stock:							
Basic	(.80)	2.74	1.16				
Diluted	(.77)	2.63	1.12				
Dividends per share	.68	.68	.68	.51			

**Applied Biosystems Group**

Income from continuing operations	\$ 3,899	\$ 132,739	\$ 24,009	\$ 148,365	\$ 186,247	\$ 129,608	\$ 164,767
Per share of common stock:							
Basic				.74	.90	.63	.78
Diluted				.72	.86	.60	.74
Income (loss) from discontinued operations (net of income taxes)	(37,833)	27,906	40,694	79,058			
Net income (loss)	(33,934)	160,645	64,703	227,423	186,247	129,608	164,767
Per share of common stock:							
Basic				1.13	.90	.63	.78
Diluted				1.10	.86	.60	.74
Dividends per share				.0425	.17	.17	.17

**Celera Genomics Group**

Net loss	\$ (2,589)	\$ (30,247)	\$ (8,315)	\$ (44,894)	\$ (92,737)	\$ (67,783)	\$ (84,480)
Per share of common stock:							
Basic and diluted				(.89)	(1.73)	(1.29)	(1.40)

**Other Information**

Cash and cash equivalents and short-term investments	\$ 121,145	\$ 217,222	\$ 84,091	\$ 308,021	\$ 1,505,642	\$ 1,286,184	\$ 1,374,851
Working capital	229,639	354,742	287,991	471,350	1,479,027	1,445,501	1,457,818
Capital expenditures	28,198	58,057	71,820	176,035	125,815	94,379	140,808
Total assets	809,856	1,006,793	1,135,276	1,519,307	3,083,315	2,754,401	3,025,864
Long-term debt	33,694	59,152	33,726	31,452	82,115	82,039	30,715
Total debt	89,801	89,068	45,825	35,363	97,808	117,454	51,130
Stockholders' equity	373,727	504,270	564,248	821,525	2,220,492	1,956,116	2,217,229

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**Celera Genomics Group Selected Historical Combined Financial Information**

The following selected combined financial information has been derived from the combined financial statements of the Celera Genomics group for each of the five fiscal years in the period ended June 30, 2000, and the nine month periods ended March 31, 2000 and 2001. The information set forth below should be read in conjunction with the Celera Genomics group combined financial statements and notes thereto contained in the Applera (formerly PE Corporation) Annual Report to Stockholders for the year ended June 30, 2000, and in the Applera



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Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2001, each incorporated herein by reference. The data for the nine month periods ended March 31, 2000 and 2001 has been derived from unaudited financial statements that, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of results for the periods covered. The operating results for the nine months ended March 31, 2001 are not necessarily indicative of the results that may be expected for the entire fiscal year.

On May 6, 1999, Applera recapitalized and issued two new classes of common stock, the Applera Celera stock and the Applera Applied Biosystems stock, to the stockholders of Applera's predecessor. Effective November 30, 2000, Applera, which was named "PE Corporation" at the time of the recapitalization, was renamed "Applera Corporation," and the Applied Biosystems group, which was named the "PE Biosystems" group at the time of the recapitalization, was renamed the "Applied Biosystems" group. Therefore, neither the Applera Celera stock nor the Applera Applied Biosystems stock was issued or outstanding at any time prior to May 6, 1999.

All share and per share amounts have been restated to reflect the prior stock split of Applera Celera stock.

Items impacting the comparability of information included acquired research and development charges of \$2.1 million for fiscal 1996 and \$26.8 million for fiscal 1997, and \$5.6 million of charges for fiscal 1999 relating to the recapitalization and transformation of Applera.

	Fiscal Years Ended June 30,					Nine Months Ended March 31,	
	1996	1997	1998	1999	2000	2000	2001
(Dollar amounts in thousands)							
<b>Financial Operations</b>							
Net revenues	\$ 159	\$ 903	\$ 4,211	\$ 12,541	\$ 42,747	\$ 27,666	\$ 61,947
Net loss	(2,589)	(30,247)	(8,315)	(44,894)	(92,737)	(67,783)	(84,480)
<b>Other Information</b>							
Cash and cash equivalents and short-term investments	\$	\$	\$	\$ 71,491	\$ 1,111,034	\$ 991,107	\$ 1,035,056
Note receivable from the Applied Biosystems group				150,000		150,000	
Working capital (deficit)	(340)	(421)	(1,160)	192,803	1,081,039	1,118,023	985,433
Capital expenditures	1,073	411	3,648	94,541	30,673	24,442	21,419
Total assets	977	2,983	6,339	344,720	1,413,257	1,283,393	1,323,650
Total allocated debt					46,000	46,000	
Group equity (deficit)	611	(3,464)	(1,259)	293,867	1,290,816	1,186,389	1,214,829

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### Selected Unaudited Pro Forma Consolidated Financial Information of Applera and Axys

The following selected unaudited pro forma consolidated financial information is derived from unaudited pro forma consolidated financial statements and the notes thereto, which are included elsewhere in this proxy statement/prospectus and should be read in conjunction with those statements and related notes. See "Unaudited Pro Forma Condensed Consolidated and Combined Financial Statements" in this proxy statement/prospectus.

The unaudited pro forma consolidated balance sheet assumes that the merger took place on March 31, 2001 and combines Applera's March 31, 2001 unaudited consolidated balance sheet with Axys' March 31, 2001 unaudited balance sheet. The unaudited pro forma consolidated statements of operations for the nine months ended March 31, 2001 and the year ended June 30, 2000 give effect to the merger as if it occurred on July 1, 1999. Because Applera and Axys have two different fiscal years, and the combined company will adopt the fiscal year of Applera, pro forma operating results are presented on a June 30 fiscal year basis.

The unaudited pro forma consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the consolidated financial position or results of operations of future periods or the results that actually would have been realized had the entities been a single entity during these periods.

### Applera Corporation Selected Unaudited Pro Forma Consolidated Financial Information

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	Year Ended June 30, 2000	Nine Months Ended March 31, 2001
<b>(Dollar amounts in thousands except per share amounts)</b>		
<b>Financial Operations</b>		
Net revenues	\$ 1,384,636	\$ 1,234,903
Income from continuing operations	49,474	36,124
<b>Applied Biosystems Group</b>		
Net income	\$ 186,247	\$ 164,767
Per share of common stock		
Basic	0.90	0.78
Diluted	0.86	0.74
Dividends per share	0.17	0.17
<b>Celera Genomics Group</b>		
Loss from continuing operations	\$ (138,759)	\$ (128,612)
Per share of common stock		
Basic and diluted	(2.37)	(1.97)
		<b>March 31, 2001</b>
<b>Other Information</b>		
Cash and cash equivalents and short-term investments		\$ 1,404,281
Working capital		1,471,624
Total assets		3,284,905
Long-term debt		56,715
Total debt		77,130
Stockholders' equity		2,426,517

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**Selected Unaudited Pro Forma Combined Financial Information of the Celera Genomics Group and Axys**

The following selected unaudited pro forma combined financial information is derived from unaudited pro forma combined financial statements and the notes thereto, which are included elsewhere in this proxy statement/prospectus and should be read in conjunction with those statements and related notes. See "Unaudited Pro Forma Condensed Consolidated and Combined Financial Statements."

The unaudited pro forma combined balance sheet assumes that the merger took place on March 31, 2001 and combines the Celera Genomics group's March 31, 2001 unaudited combined balance sheet with Axys' March 31, 2001 unaudited balance sheet. The unaudited pro forma combined statements of operations for the nine months ended March 31, 2001 and the year ended June 30, 2000 give effect to the merger as if it occurred on July 1, 1999. Because the Celera Genomics group and Axys have two different fiscal years, and the combined company will adopt the fiscal year end of the Celera Genomics group, pro forma operating results are presented on a June 30 fiscal year basis.

The unaudited pro forma combined financial information is presented for illustrative purposes only and is not necessarily indicative of the combined financial position or results of operations of future periods or the results that actually would have been realized had the entities been a single entity during these periods.

**Celera Genomics Group  
Selected Unaudited Pro Forma Combined Financial Information**

	Year Ended June 30,	Nine Months Ended March 31,
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	2000	2001
(Dollar amounts in thousands)		
<b>Financial Operations</b>		
Net revenues	\$ 56,348	\$ 69,085
Loss from continuing operations	(138,759)	(128,612)
<b>March 31, 2001</b>		
<b>Other Information</b>		
Cash and cash equivalents and short-term investments		\$ 1,064,486
Working capital		999,239
Total assets		1,582,691
Long-term debt		26,000
Total debt		26,000
Group equity		1,424,117

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF AXYS**

The following selected consolidated financial information has been derived from the consolidated financial statements of Axys (and its predecessor company) for each of the five fiscal years in the period ended December 31, 2000, and the six month period ended June 30, 2001. The operating results for the six months ended June 30, 2001 are not necessarily indicative of the results that may be expected for the entire fiscal year. The information set forth below should be read in conjunction with the Axys audited financial statements and notes thereto which are included in this proxy statement/prospectus commencing on page F-1, and "Axys Management's Discussion and Analysis of Financial Condition and Result of Operations" commencing on page 91 of this proxy statement/prospectus.

	Year Ended December 31,					Six Months Ended June 30,	
	1996	1997(1)	1998(1)(2)	1999(1)	2000	2000	2001
(in thousands, except per share amounts)							
(unaudited)							
<b>Consolidated Statements of Operations:</b>							
Revenues	\$ 21,560	\$ 20,499	\$ 35,760	\$ 24,084	\$ 6,990	\$ 2,922	\$ 3,890
<b>Operating costs and expenses:</b>							
Research and development	24,319	27,062	57,502	55,174	36,575	15,899	17,020
General and administrative	5,409	7,153	13,411	10,872	9,999	5,722	6,618
Restructuring charge				5,175	(592)	(625)	
Acquired in-process research and development	230		124,888				
Total operating costs and expenses	29,958	34,215	195,801	71,221	45,982	20,996	23,638
Operating loss	(8,398)	(13,716)	(160,041)	(47,137)	(38,992)	(18,074)	(19,748)
Interest income (expense), net	2,470	2,422	2,317	341	(4,105)	440	(1,659)
Equity in losses of joint venture			(2,393)	(836)	(3,208)		(9,397)
Other income/expense, net				(852)	889	79	(1,635)
Net loss from continuing operations	(5,928)	(11,294)	(160,117)	(48,484)	(45,416)	(17,555)	(32,439)
Discontinued operations		327	3,993	(279)	(5,941)		
Cumulative effect of change in accounting principle						32,987	972



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	Year Ended June 30, 2000	Nine Months Ended March 31, 2001
Historical:		
Basic	\$ 0.90	\$ 0.78
Diluted	0.86	0.74
Pro forma:		
Basic	\$ 0.90	\$ 0.78
Diluted	0.86	0.74
Dividends:		
Historical	\$ 0.17	\$ 0.17
Pro forma	0.17	0.17
Book Value:		
Historical	\$ 4.48	\$ 4.78
Pro forma	4.48	4.78
<b>Celera Genomics Group</b>		
Loss from continuing operations:		
Historical:		
Basic and diluted	\$ (1.73)	\$ (1.40)
Pro forma		
Basic and diluted(1)	\$ (2.37)	\$ (1.97)
Dividends:		
Historical	\$	\$
Pro forma		
Book Value:		
Historical	\$ 21.75	\$ 19.83
Pro forma(1)	23.24	21.52

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**Axys Pharmaceuticals, Inc.:**

Loss from continuing operations:		
Historical:		
Basic and diluted	\$ (1.33)	\$ (1.27)
Equivalent pro forma:		
Basic and diluted(1)	\$ (0.29)	\$ (0.24)
Dividends:		
Historical	\$	\$
Equivalent pro forma		
Book Value:		
Historical	\$ 1.82	\$ 1.91
Equivalent pro forma(1)	\$ 2.84	\$ 2.63

(1)

The Axys per share equivalent pro forma information is calculated by multiplying the per share amounts for the Celera Genomics group by 0.1220, which is the exchange ratio that would have been applied to the Axys common stock under the merger agreement had the merger occurred on July 9, 2001. If the merger had occurred on July 9, 2001, the average closing price of Applera Celera stock during the calculation period that would have been used in the determination of the exchange ratio was \$38.108. Provided below is a sensitivity analysis of the pro forma per share information based on a 20% increase in the average closing price of Applera Celera stock during the calculation period, which would result in an exchange ratio of 0.1017, and a 20% decrease in the average closing price of Applera Celera stock during the calculation period, which would result in an exchange ratio of 0.1355.

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	Year Ended June 30, 2000	Nine Months Ended March 31, 2001
<b>20% increase in price of Applera Celera stock</b>		
<b>Applera Corporation:</b>		
<b>Celera Genomics Group</b>		
Loss from continuing operations:		
Pro forma basic and diluted	\$ (2.40)	\$ (1.99)
Book Value:		
Pro forma	\$ 23.54	\$ 21.79
<b>Axys Pharmaceuticals, Inc.</b>		
Loss from continuing operations:		
Equivalent pro forma basic and diluted	\$ (0.24)	\$ (0.20)
Book Value:		
Equivalent pro forma	\$ 2.39	\$ 2.22
<b>20% decrease in price of Applera Celera stock</b>		
<b>Applera Corporation:</b>		
<b>Celera Genomics Group</b>		
Loss from continuing operations:		
Pro forma basic and diluted	\$ (2.26)	\$ (1.89)
Book Value:		
Pro forma	\$ 22.67	\$ 20.98
<b>Axys Pharmaceuticals, Inc.</b>		
Loss from continuing operations:		
Equivalent pro forma basic and diluted	\$ (0.31)	\$ (0.26)
Book Value:		
Equivalent pro forma	\$ 3.07	\$ 2.84

Given the possible volatility of the price of Applera Celera stock prior to closure and its effects on the exchange ratio amounts, the pro forma values could vary between these ranges.

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**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

Applera Celera stock is listed on the New York Stock Exchange under the symbol: "CRA."

The following table sets forth the range of high and low sale prices of Applera Celera stock as reported by the New York Stock Exchange Composite Tape since May 6, 1999. On May 6, 1999, Applera recapitalized and issued two new classes of stock, the Applera Celera stock and the Applera Applied Biosystems stock, to the stockholders of Applera's predecessor. Effective November 30, 2000, Applera, which was named "PE Corporation" at the time of the recapitalization, was renamed "Applera Corporation," and the Applied Biosystems group, which was named the "PE Biosystems" group at the time of the recapitalization, was renamed the "Applied Biosystems" group. Therefore, neither the Applera Celera stock nor the Applera Applied Biosystems stock was issued or outstanding at any time prior to May 6, 1999. The table gives effect to the two-for-one stock split of Applera Celera stock effected in the form of a 100% stock dividend distributed on February 18, 2000. Applera has not paid any cash dividends with respect to Applera Celera stock and does not anticipate paying any cash dividends on Applera Celera stock in the foreseeable future.

	High	Low
<b>FISCAL YEAR ENDED JUNE 30, 1999</b>		
Fourth Quarter (from May 6, 1999)	\$ 11.2500	\$ 7.0938
<b>FISCAL YEAR ENDED JUNE 30, 2000</b>		

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	<b>High</b>	<b>Low</b>
	<b>_____</b>	<b>_____</b>
First Quarter	\$ 26.9063	\$ 7.8750
Second Quarter	\$ 96.4063	\$ 15.1875
Third Quarter	\$ 276.0000	\$ 73.0000
Fourth Quarter	\$ 151.0000	