Integrated Science: Enabling The Changing Needs of Our Customers

Pacific Growth Equities

Life Sciences Growth Conference

San Francisco, California

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Applied Biosystems

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Statements presented which are not historical facts, including, but not limited to, those relating to revenue growth, financial targets, product and marketing prospects, and product demand, are forward looking statements and are subject to a variety of risks and uncertainties. Many factors could cause actual results to differ materially from those stated or projected. Additional information concerning these factors is contained in the Company's filings with the Securities and Exchange Commission.

The statements made in this presentation reflect facts and circumstances as of June 9, 2004, and the Company does not undertake any duty to update any statement, including any forward-looking statement, unless required by law.

This presentation includes certain financial information which constitute "non-GAAP financial measures" as defined by the SEC. The GAAP measures which are most directly comparable to these measures, as well as a reconciliation of these measures with the most directly comparable GAAP measures, can be found at www.appliedbiosystems.com in the Financial Reports page of the Investor Relations section.

Today's Discussion

- Market Overview
- Financial Review
- Growth Strategy
- New Product Update
- Celera Diagnostics

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Applied Biosystems Summary

- Market leader in life science research tools
- Significant R&D investment in next-generation functional genomics and mass spectrometry technologies
- Strength in both genomics and proteomics uniquely positions AB for future market needs (Systems Biology)
- Applied testing markets presence: forensics, diagnostics, agriculture
- 50% owner of Celera Diagnostics
- Long record of profitability and cash flow generation

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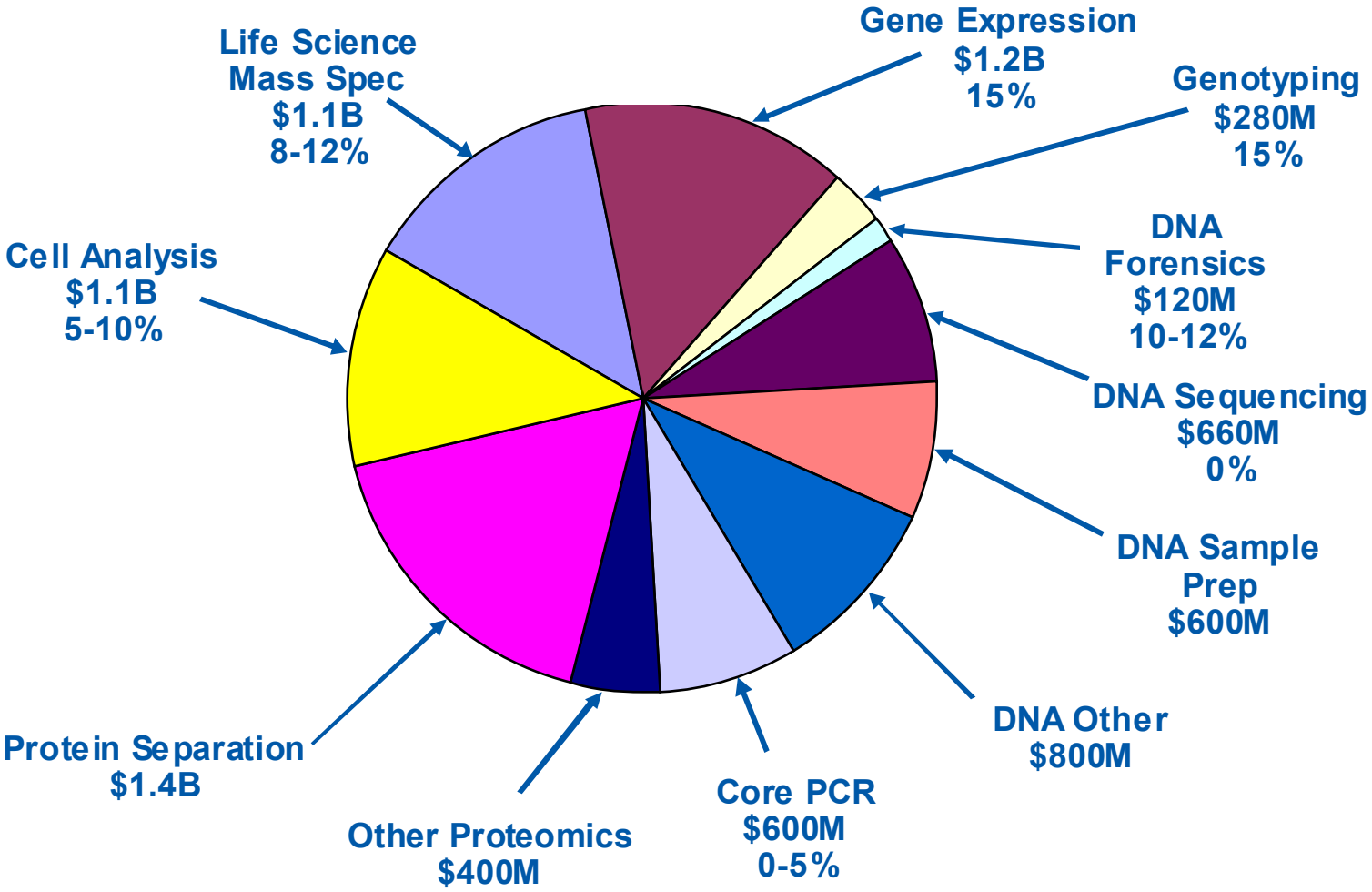
Major Components of the U.S. Biological Research Market

- Pharma Industry 2003 R&D budgets: $33B
- Biotech Industry 2003 R&D budgets: $18B
- NIH Fiscal 2004 Budget: $28B
- Other sources of funding include: private foundations and other government agencies
- Analytical chemistry and life science tools comprise 10-12% of research spending or ~$8-10B
- Ex U.S. tools market is comparable in size, i.e., worldwide analytical chemistry and life science tool market is $15-20B

$8B Life Science Tools Market*

Selected Estimated 3-Year Forward Growth Rates



***Subset of $15-20B Analytical Chemistry & Life Science Tools Market.**

Source: Internal & External Sources
Compiled by Applied Biosystems

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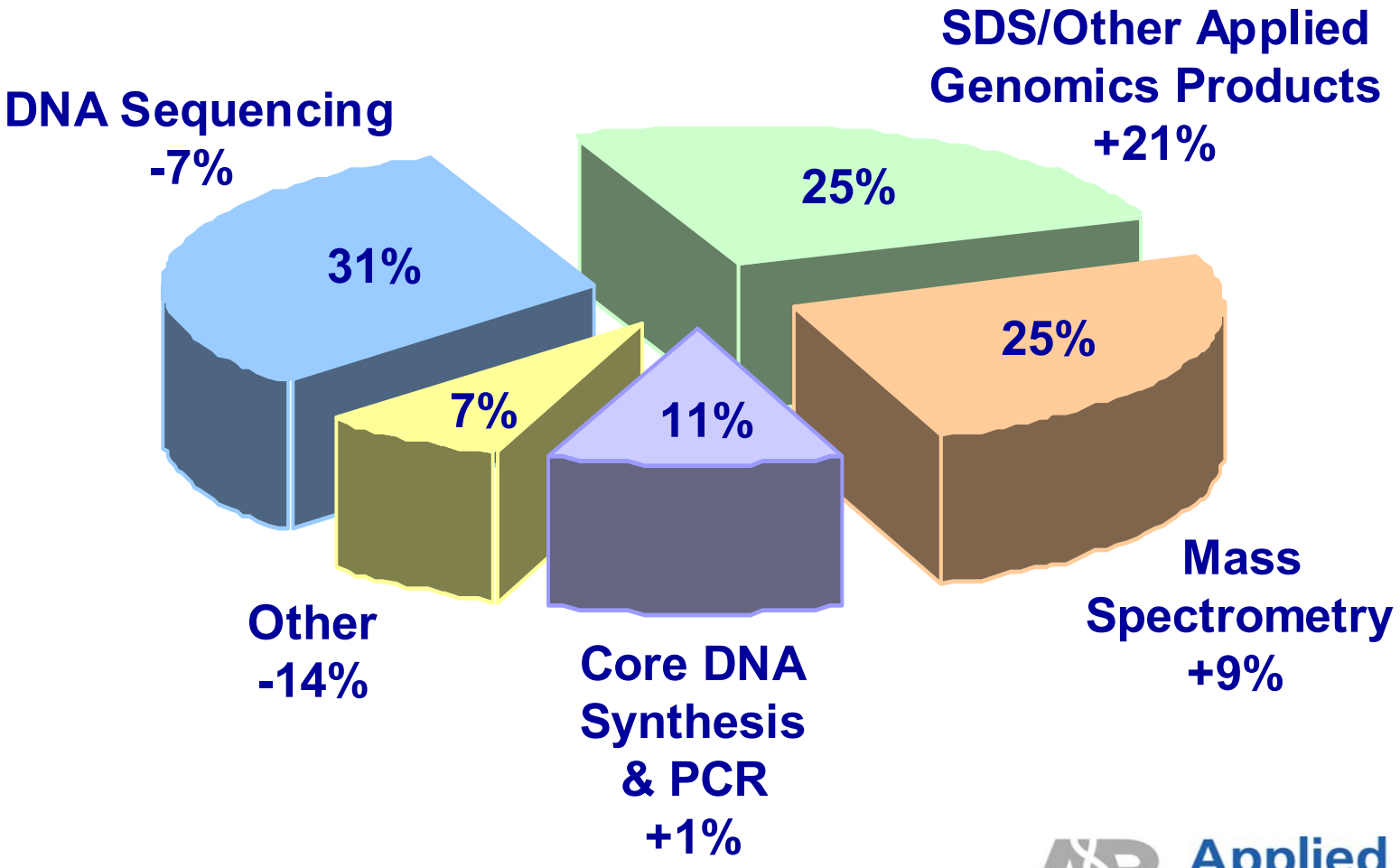
FY '04 9-Mth. Revenues: $1.3B

Growth by product category



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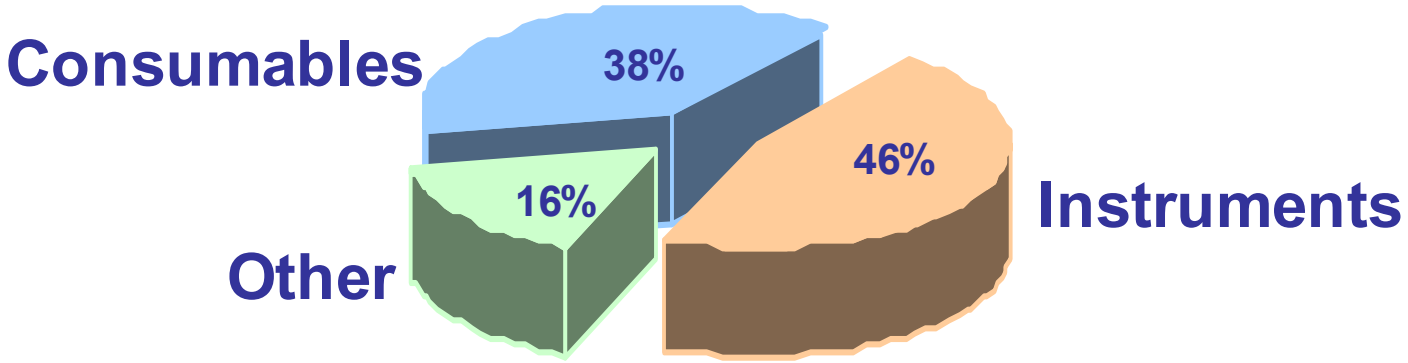
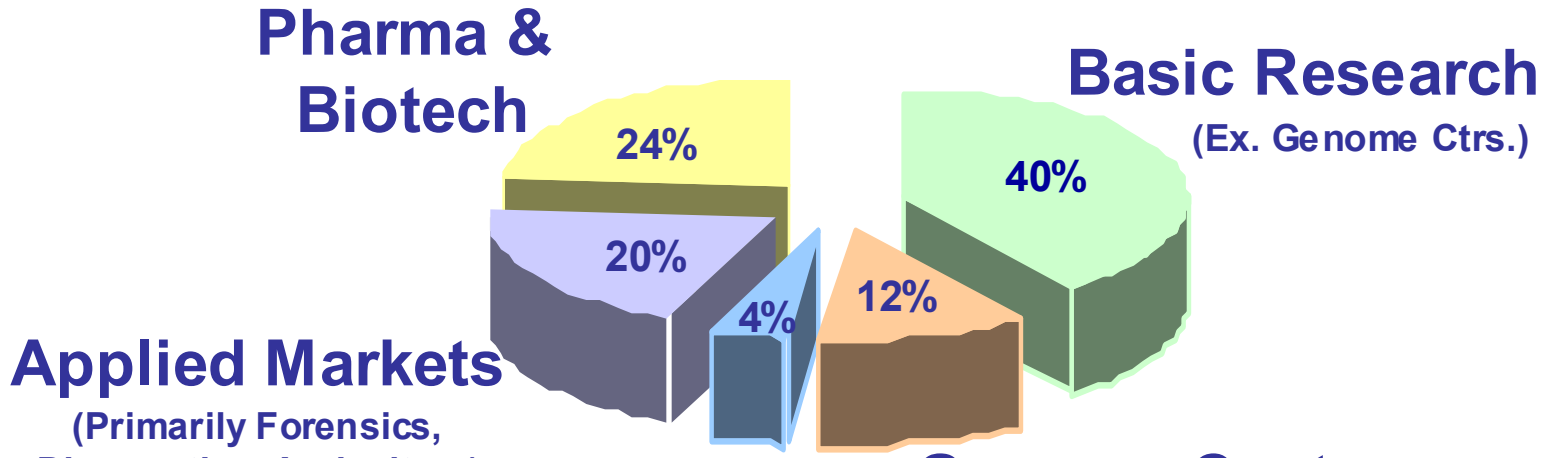
Balanced Mix of Revenues From Diverse Markets



Data for 9-mth. FY 2004



Data for FY 2003

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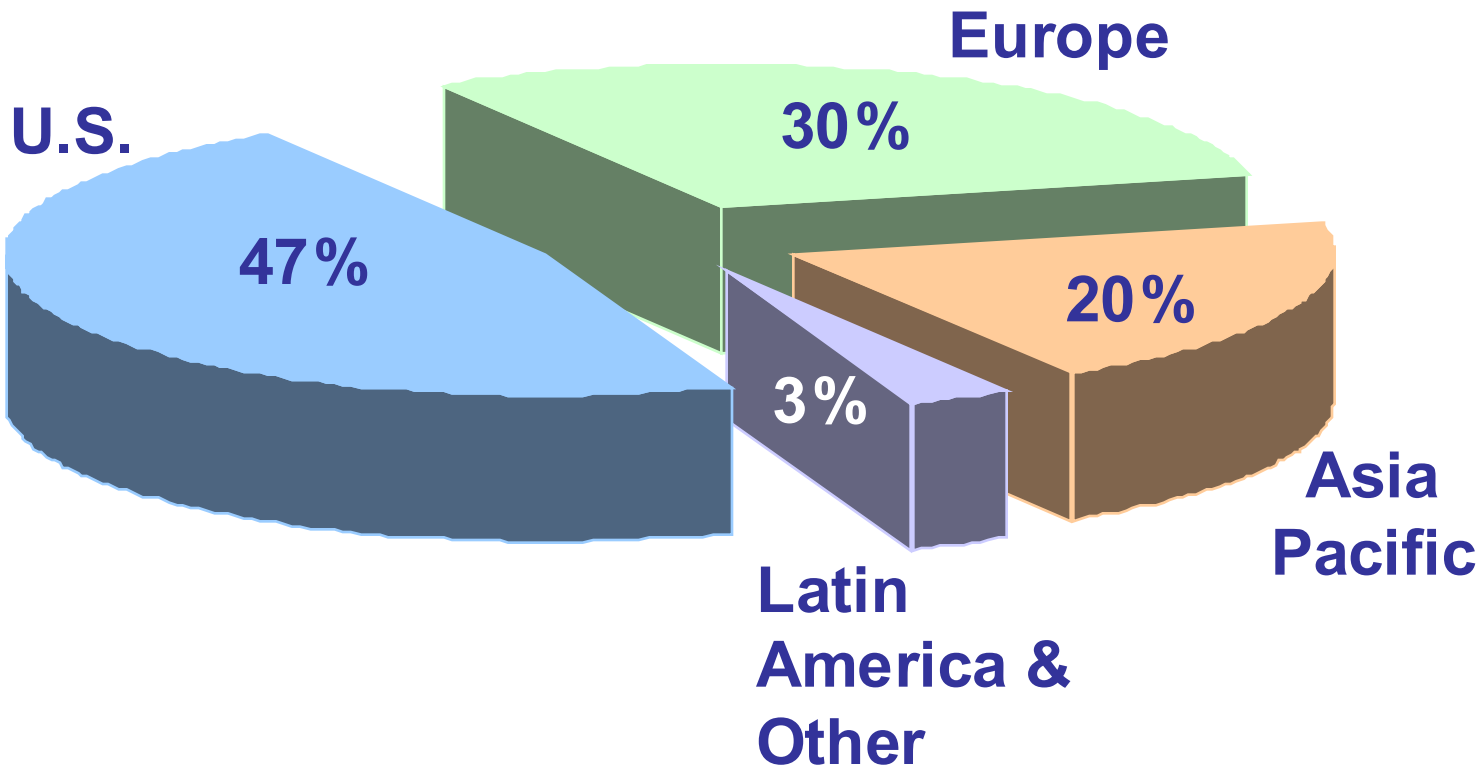
Global Revenue Presence



Data 9-mth. FY2004

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Strong Financial Position

LIQUIDITY (as of 3/31/04)

- Cash: $585m
- Long-term Debt: $0
- Year-to-date cash flow from operations: $206m

	3/31/04	12/31/03
DSO	**66**	**67**
Months of inventory	**3.1**	**3.5**

Growth Strategy

- Focus investment on high growth segments: functional genomics and mass spec
- Leverage installed base of DNA sequencers for scientifically related applications: resequencing, genotyping, methylation
- Continue to emphasize product innovation to stimulate primary demand and gain share
- Utilize unique competitive strengths to deliver on Integrated Science
- Increase revenue in applied markets:
  - Leverage #1 position in DNA forensics
  - Capture molecular diagnostics value via Celera Diagnostics
  - Expand in new markets, e.g. food & environmental testing

In-Depth Strategic Business Review

- Fact-based analysis of current product portfolio
- Evaluation of R&D investments for alignment with future growth opportunities
- Examination and improvement of operational efficiency & productivity
- Goal: accelerate revenue and earnings growth rates

Selected New Products Summary

- Sequencing:
  - **VariantSEQr™ – February 2004**
- Genotyping:
  - **SNPlex™ System: Ultra High Throughput – January 2004**
- Gene Expression:
  - **AB Expression Array System – March 2004 (Japan) and April 2004 (Rest of World)**
  - **SDS Real Time PCR Systems (7300, 7500) – Feb. 2004**
- DNA Forensics:
  - **Quantifiler™ Human DNA Quantification Kits**
- Discovery Proteomics & Small Molecule:
  - **iTRAQ Reagents – May 2004**
  - **Tissue Imaging Technology – Fall 2004**

Dates indicate commencement of unrestricted sales.

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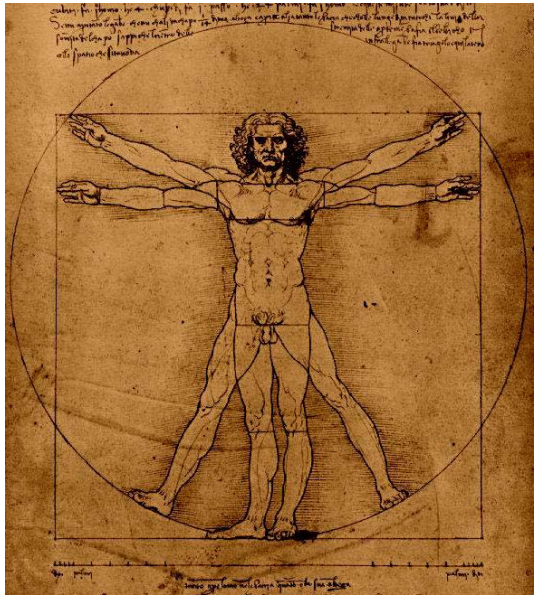
DNA Sequencing Approaches

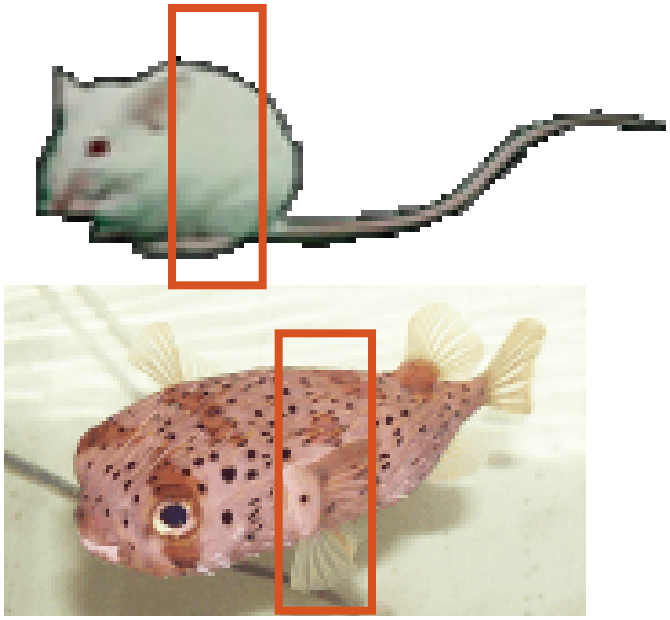
De Novo



Entire genome

Thousands to Billions of bases

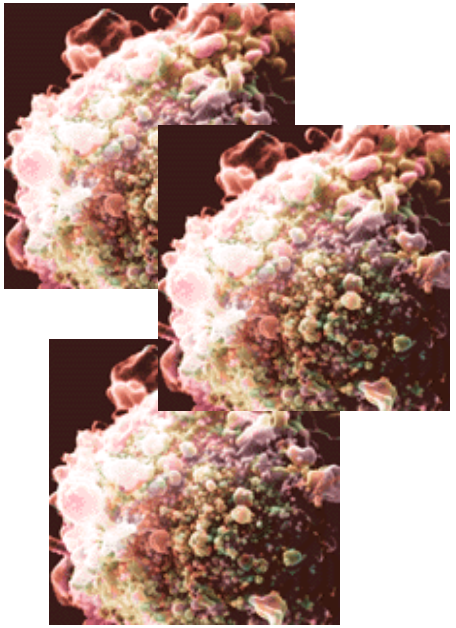
Comparative Genomics



Many genes or chromosomes

Millions of bases

Resequencing



Small genetic region

Hundreds of bases

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VariantSEQr™ Resequencing System

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VariantSEQr™ Resequencing System

- Full system product designed for thousands of genes
  - First gene set release: genes implicated in cancer & other major diseases
- Enables discovery of genetic variations
  - SNPs
  - Causal mutations
- Enables correlation of DNA variations to:
  - Disease onset
  - Disease progress
  - Drug response
- Taps academic funding for disease specific research, not genome center funding

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Whole System Solution to Resequencing

VariantSEQr™ Resequencing System

AmpliTaq Gold® DNA Polymerase

AmpliTaq Gold® PCR Master Mix

BigDye® Terminator v3.1

AB 3730 DNA Analyzer

ABI PRISM® 3100 Genetic Analyzer

SeqScape® Software 2.1.1

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Applied Biosystems: Genotyping Market Leader

- > $150 m CY 2003 genotyping revenue (excludes resequencing revenues)
- > 15,000 installed base of AB instruments capable of running AB genotyping chemistries
- > 1,000 laboratories currently using AB SNP genotyping products
- > 50% of genotyping revenue from applied markets:
  - Forensics (DNA testing market leader)
  - Industrial (Microbial ID for bio-contamination)
  - Celera Diagnostics
    - > Genotyping diagnostics, FDA-cleared and ASRs
    - > Major new proprietary SNP-disease association results

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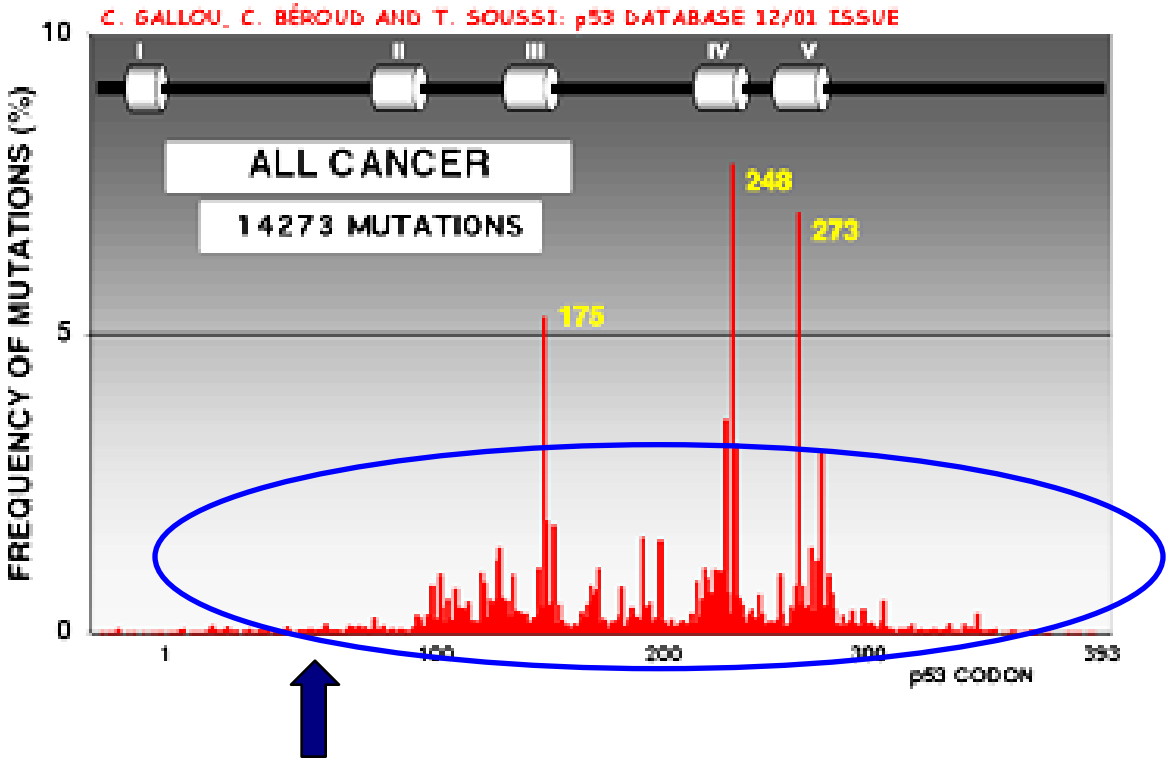
Re-Sequencing: Key Part of Future Genotyping

Large Numbers of Individually Rare Mutations Require Re-Sequencing



Example : Over ¾ of all mutations in the key p-53 cancer gene occur at rates which are, individually, under 5%. Most are under 1%.

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Building on Existing Strength in Sequencing and Genotyping

AB has successfully combined sequencing and genotyping for many years. In 2004, this takes a major step forward.

- 1990's: AB supports genotyping on its "sequencers" with its linkage mapping sets. Almost 500 laboratories used this early genotyping approach.
- 2000: AB builds on this base by introducing its SNaPshot™ system for SNP genotyping. Almost 700 laboratories use this kit on their "sequencers".
- 2004: AB launches SNPlex ™, with 5 – 10x higher multiplexing than SNaPshot ™.
- 2004: AB launches VariantSEQr ™, for re-sequencing thousands of the most medically relevant human genes.
- 65% of high-end sequencing customers already report re-sequencing as one of their current applications.

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SNPlex™ Genotyping System
A New High Throughput Solution

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SNPlex™ System for Ultra High Throughput Genotyping

- Assays run on AB 3730 and 3730*xl* DNA sequencers
- Enables SNP detection for disease association studies
- High Throughput
- Flexible and Scalable
- Enables genome wide human linkage mapping
- Cost effective

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Gene Expression Analysis

- Enables detection of changes in gene activity levels
  - Identification of differences between normal and diseased states
  - Monitoring of disease
  - Ability of a drug candidate to stimulate or inhibit its target
- Tools for gene expression analysis:
  - Microarrays - New market for AB
  - Real-time PCR - AB is market leader
    - > **TaqMan® Low Density Arrays**

Applied Biosystems Expression Array System

Whole genome analysis on a single microarray

Arrays for:
>Human genome
>Mouse genome
>Subsequently, Rat genome

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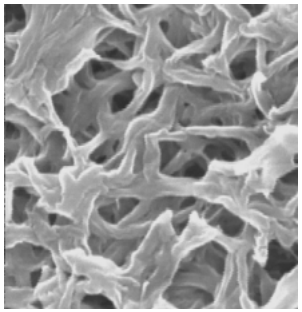
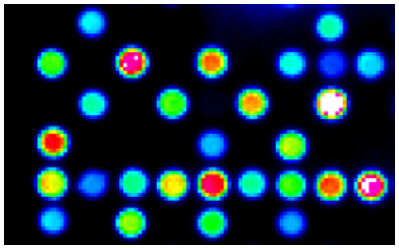
Customer Benefits of AB Expression Array System

- Increased Sensitivity and Specificity
  - More genes detected
  - Less sample needed
- Highly curated content
  - System based on most well annotated & comprehensive genetic databases
- Integrated to other AB products via CDS
  - TaqMan® systems & Assays-on-Demand™
  - Identification of proteins encoded by these genes, leading to use of AB proteomics tools





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Superior Performance in Customer Comparison: AB 1700 vs.Competition

Normal Tissue vs. Tumor Biopsy

- 10,437 genes common to both platforms
- AB detected expression level changes in 47% more genes than competition
  - 6,015 vs. 4,100
- AB detected 180% more genes that showed a 2 fold or higher change in expression levels
  - 1,718 vs. 614
- Beyond the 10,437 genes common to both platforms, AB detected expression level changes in 5,100 additional genes

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AB's Gene Expression Portfolio

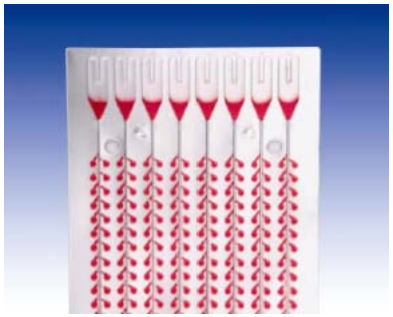
Only AB supports the customer's entire workflow, from whole genome, to pathway to gene

Expression Array System
Whole genome analysis

Celera Discovery System™
Online Platform

TaqMan® Assays- On-Demand™ Gene Expression Assays
Analysis of Specific Individual Genes

ABI PRISM® 7900HT
Sequence Detection System



TaqMan® low density array

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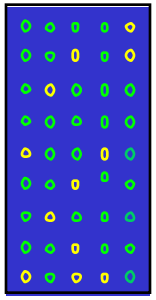
Celera Diagnostics

50/50 JV Between CRA and ABI

- Established April 2001
- 220 Employees
- Strong experience in molecular diagnostics
- Full capability to discover, develop and manufacture IVD products
- GMP manufacturing
- Strategic Alliance with Abbott Laboratories

CELERA DIAGNOSTICS
A Joint Venture With Applied Biosystems

Strategy for Celera Diagnostics



Diagnostic Constellation ™

- **Sustain near- and medium-term growth** through sales of molecular diagnostics products from Celera Diagnostics and Abbott Laboratories
- **Identify new genetic markers for disease** through a comprehensive genetics discovery program
- **Configure "constellations of markers" into novel diagnostic tests** for commercialization in partnership with Abbott Laboratories and leading laboratories
- **Create incremental therapeutic value** from genetic discoveries in conjunction with Celera Genomics or external pharmaceutical partners

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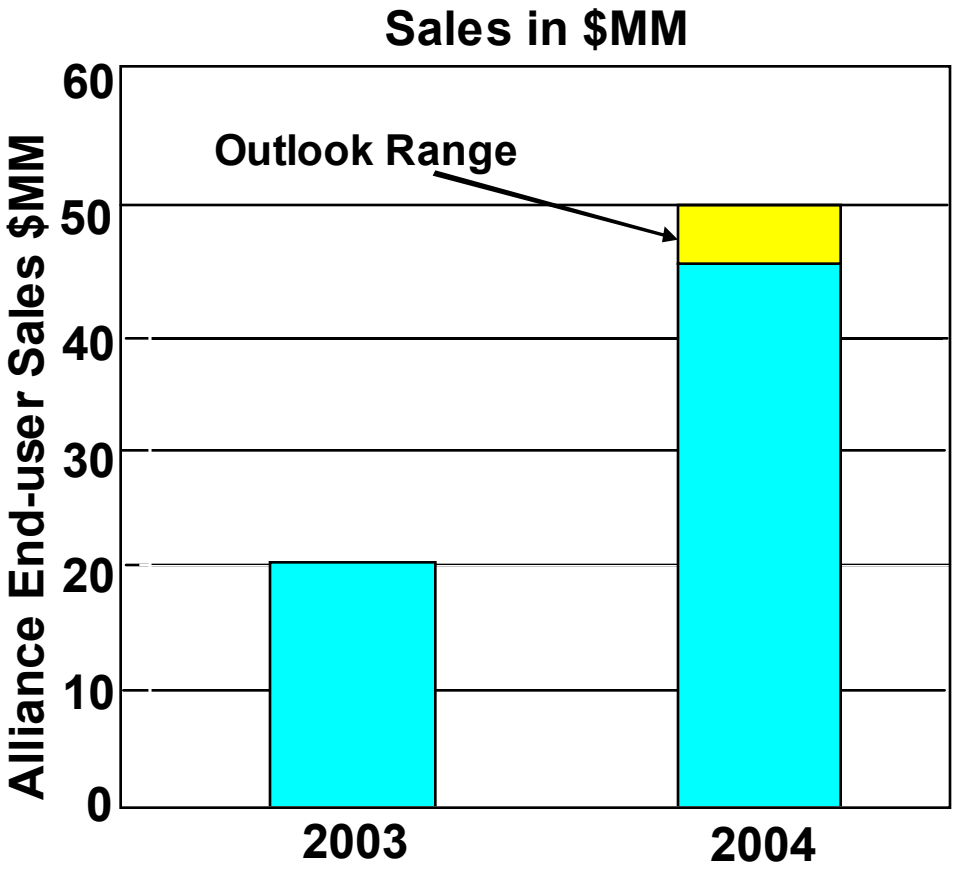
Sales Growth

Strong Performance in Alliance End-User Sales

- End-user sales for Abbott alliance
- Doubling to $45-50MM vs. $20.3MM last year
- Growth driven mainly by ASRs for Cystic Fibrosis, Abbott and third party products



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Celera Diagnostics

Status of Association Studies

- Studies ongoing - discovery and replication
  - Alzheimer's Disease
  - Cardiovascular Disease - multiple indications
  - Diabetes
  - Breast Cancer Metastasis
  - Rheumatoid Arthritis
  - Interferon Responsiveness
- Reported finding presentations
  - Risk for Myocardial Infarction - Sept 30, March 8, June 2
  - Breast Cancer Metastasis - Nov 6
  - Alzheimer's Disease - Oct 28
  - HCV Interferon Responsiveness - Dec 9
  - Rheumatoid Arthritis - June 10
  - Stroke - June 25
- Celera Genomics is evaluating the therapeutic utility of markers identified in two studies

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Celera Diagnostics Performance Drivers

- Fiscal 2004 financial results*
  Most Recent Outlook Statement:
  - Double alliance end-user sales
  - Reduce pre-tax loss
  - Reduce Cash use
- Communication of disease association findings
  - Will complete at least eight scientific communications in FY04
- Additional collaborations for sample acquisition and market development
- Transfer of first genetic test(s) to laboratory partner(s)

April 27, 2004

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For More Information, Visit Our Web Sites

- Applera www.applera.com
- Applied Biosystems www.appliedbiosystems.com
- Celera Diagnostics www.celeradiagnostics.com

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