



SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2003 or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-09781 (0-1052)

MILLIPORE CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts
(State or Other Jurisdiction of
Incorporation or Organization)

04-2170233
(I.R.S. Employer
Identification No.)

290 Concord Road, Billerica, MA
(Address of principal executive offices)

01821
(Zip Code)

(978) 715-4321
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

As of July 25, 2003, 48,663,741 shares of the registrant's Common Stock were outstanding.



MILLIPORE CORPORATION

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MILLIPORE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2003	December 31, 2002
	(In thousands) (Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 120,874	\$ 101,242
Accounts receivable, net	174,573	160,462
Inventories	127,626	111,332
Deferred income taxes	11,694	11,694
Other current assets	7,144	5,481
	<u>441,911</u>	<u>390,211</u>
Property, plant and equipment, net	280,737	262,604
Deferred income taxes	87,824	87,824
Intangible assets, net	26,793	28,064
Goodwill	9,646	9,646
Other assets	6,833	7,881
	<u>853,744</u>	<u>786,230</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 2,256	\$ 1,500
Accounts payable	56,675	57,596
Accrued expenses	62,486	58,431
Accrued retirement plan contributions	6,320	8,438
Accrued income taxes payable	10,012	8,464
	<u>137,749</u>	<u>134,429</u>
Long-term debt	327,000	334,000
Other liabilities	32,540	30,297
	<u>497,289</u>	<u>498,726</u>
Commitments and contingencies	—	—
Shareholders' equity:		
Common stock	56,988	56,988
Additional paid-in capital	91,338	91,338
Retained earnings	475,598	432,139
Unearned compensation	(1,043)	(1,454)
Accumulated other comprehensive loss	(19,807)	(40,700)
	<u>603,074</u>	<u>538,311</u>
Less: Treasury stock at cost, 8,433 and 8,576 shares, respectively	(246,619)	(250,807)
	<u>356,455</u>	<u>287,504</u>
Total liabilities and shareholders' equity	<u>\$ 853,744</u>	<u>\$ 786,230</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.



MILLIPORE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
(In thousands, except per share data) (Unaudited)				
Net sales	\$196,367	\$176,124	\$383,819	\$342,756
Cost of sales	88,535	74,819	170,860	144,050
Gross profit	107,832	101,305	212,959	198,706
Selling, general and administrative expenses	61,814	54,278	121,839	108,844
Research and development expenses	14,069	13,531	27,878	25,918
Restructuring and other charges	(604)	500	(604)	500
Operating income	32,553	32,996	63,846	63,444
Interest income	379	282	764	522
Interest expense	(4,189)	(4,610)	(8,337)	(10,093)
Income before income taxes	28,743	28,668	56,273	53,873
Provision for income taxes	6,467	6,307	12,661	11,852
Income from continuing operations	22,276	22,361	43,612	42,021
Income on disposal of discontinued operations, net of taxes	—	—	—	2,900
Net income	\$ 22,276	\$ 22,361	\$ 43,612	\$ 44,921
Basic income per share:				
Continuing operations	\$ 0.46	\$ 0.46	\$ 0.90	\$ 0.87
Discontinued operations	—	—	—	0.06
Net income	\$ 0.46	\$ 0.46	\$ 0.90	\$ 0.93
Diluted income per share:				
Continuing operations	\$ 0.46	\$ 0.46	\$ 0.90	\$ 0.87
Discontinued operations	—	—	—	0.06
Net income	\$ 0.46	\$ 0.46	\$ 0.90	\$ 0.93
Weighted average shares outstanding:				
Basic	48,460	48,176	48,432	48,034
Diluted	48,834	48,476	48,676	48,477

The accompanying notes are an integral part of the condensed consolidated financial statements.



MILLIPORE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,	
	2003	2002
	(In thousands) (Unaudited)	
Cash flows from operating activities:		
Net income	\$ 43,612	\$ 44,921
Less: Income on disposal of discontinued operations, net of taxes	—	2,900
Income from continuing operations	43,612	42,021
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	19,642	16,188
Restructuring and other charges	(604)	500
Change in operating assets and liabilities:		
Increase in accounts receivable	(8,097)	(1,081)
Increase in inventories	(10,493)	(13,700)
Increase in other current assets	(1,486)	(3,787)
Decrease in other assets	966	315
Decrease in accounts payable and accrued expenses	(867)	(11,141)
Decrease in accrued retirement plan contributions	(2,348)	(2,668)
Increase (decrease) in accrued income taxes	1,361	(5,749)
Increase in other	2,119	1,490
Net cash provided by operating activities	43,805	22,388
Cash flows from investing activities:		
Additions to property, plant and equipment	(28,011)	(29,261)
Additions to investments and intangible assets	—	(2,609)
Net cash used in investing activities	(28,011)	(31,870)
Cash flows from financing activities:		
Proceeds from issuance of treasury stock under stock plans	4,029	12,573
Net (repayments of) proceeds from revolver borrowings	(6,244)	18,771
Dividends paid	—	(5,266)
Net cash (used in) provided by financing activities	(2,215)	26,078
Effect of foreign exchange rates on cash and cash equivalents	6,053	1,365
Net cash provided by continuing operations	19,632	17,961
Net cash used by discontinued operations	—	(3,419)
Net increase in cash and cash equivalents	19,632	14,542
Cash and cash equivalents on January 1	101,242	62,450
Cash and cash equivalents on June 30	\$120,874	\$ 76,992

The accompanying notes are an integral part of these condensed consolidated financial statements.



MILLIPORE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data)

1. General

Millipore Corporation (“Millipore”, “our” or “we”) is a multinational bioscience company that provides technologies, tools and services for the discovery, development and production of therapeutic drugs and for other purposes. Our products serve the worldwide biotechnology and life science research markets as well as other bioscience markets. Our products are based on a variety of enabling technologies, including our membrane filtration and chromatography technologies.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, accordingly, these footnotes condense or omit information and disclosures which substantially duplicate information provided in our latest audited financial statements. These financial statements should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2002. In the opinion of our management, these financial statements reflect all adjustments necessary for a fair presentation of the results for the interim periods presented. The accompanying unaudited condensed consolidated financial statements are not necessarily indicative of future trends or our operations for the entire year. Reclassifications have been made to prior year financial statements to conform to the 2003 presentation.

2. Stock-based Compensation

At June 30, 2003, we have a stock-based employee compensation plan and a non-employee director stock option plan from which we currently grant stock options. We apply the recognition and measurement provisions of Accounting Principles Board Opinion No. 25 (“APB 25”), “Accounting for Stock Issued to Employees,” and related interpretations in accounting for those plans. No stock-based compensation expense is reflected in net income as all options granted under the plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share if we had applied the fair value recognition provisions of Statement of Financial Accounting Standards (“SFAS”) No. 123, “Accounting for Stock-based Compensation,” to stock-based employee compensation for the three and six months ended June 30, 2003 and 2002.

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
Net income, as reported	\$22,276	\$22,361	\$43,612	\$44,921
Deduct: Stock-based employee compensation expense determined under fair value based method, net of related tax effects, pro forma	4,906	3,679	9,813	7,277
Pro forma net income	\$17,370	\$18,682	\$33,799	\$37,644
Earnings per share:				
Basic, as reported	\$ 0.46	\$ 0.46	\$ 0.90	\$ 0.93
Basic, pro forma	\$ 0.36	\$ 0.39	\$ 0.70	\$ 0.78
Diluted, as reported	\$ 0.46	\$ 0.46	\$ 0.90	\$ 0.93
Diluted, pro forma	\$ 0.36	\$ 0.39	\$ 0.69	\$ 0.78

The fair value of each option grant is estimated on the date of the grant using the Black-Scholes model. The assumptions used in the Black-Scholes calculation for the three and six months ended June 30, 2003 and 2002 included an expected life of five years, a dividend rate of zero, expected volatility of 40% and a weighted average risk-free interest rate of 4.2%.



MILLIPORE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands, except per share data)

3. Inventories

Inventories at June 30, 2003 and December 31, 2002, stated at the lower of first-in, first-out (“FIFO”) cost or market, consisted of the following:

	June 30, 2003	December 31, 2002
Raw materials	\$ 51,303	\$ 44,156
Work in process	21,197	16,006
Finished goods	55,126	51,170
	<u>\$127,626</u>	<u>\$ 111,332</u>

4. Property, Plant and Equipment

Accumulated depreciation on property, plant and equipment was \$204,213 at June 30, 2003 and \$183,006 at December 31, 2002.

During the six months ended June 30, 2003, we invested \$410, for a cumulative total of \$7,873 invested to date, related to a planned \$30,000 project to expand manufacturing capacity adjacent to our existing manufacturing facility in Ireland. We do not expect to complete construction of this facility prior to 2006. This facility is currently a multipurpose building shell that is expected to increase manufacturing capacity for a core consumable product line. If necessary, this facility could be used for the manufacturing of alternative products.

5. Intangible Assets, net

Intangible assets consisted of the following at June 30, 2003 and December 31, 2002:

June 30, 2003	Gross Intangible Assets	Accumulated Amortization	Net Intangible Assets	Estimated Useful Life
Patented and unpatented technology	\$ 22,399	\$ (11,529)	\$ 10,870	4–20 years
Trade names	18,995	(5,737)	13,258	8–20 years
Licenses and other	5,179	(2,514)	2,665	5–10 years
Total	<u>\$ 46,573</u>	<u>\$ (19,780)</u>	<u>\$ 26,793</u>	
<u>December 31, 2002</u>				
Patented and unpatented technology	\$ 22,399	\$ (10,630)	\$ 11,769	4–20 years
Trade names	18,995	(5,136)	13,859	8–20 years
Licenses and other	6,302	(3,866)	2,436	5–10 years
Total	<u>\$ 47,696</u>	<u>\$ (19,632)</u>	<u>\$ 28,064</u>	

Amortization expense for the six months ended June 30, 2003 and 2002 was \$1,690 and \$1,794, respectively.



MILLIPORE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands, except per share data)

The estimated aggregate amortization expense for intangible assets owned as of June 30, 2003 for each of the five succeeding years is as follows:

Remainder of 2003	\$ 1,605
2004	3,310
2005	3,100
2006	2,950
2007	1,970
Thereafter	13,858
	<u>\$26,793</u>

6. Restructuring Program and Other Charges

During the quarter ended June 30, 2003, we completed the restructuring program that had been initiated during 2001 and also recovered approximately \$250 in assets that we had originally written-off and deemed uncollectible. Upon completion of this restructuring program, we reversed \$604 of the original estimated reserve, which included the \$250 recovered during this quarter and \$354 of previously estimated lease and severance payments, as these amounts were no longer required. We eliminated 215 positions which resulted in approximately 190 employees leaving Millipore.

During the quarter ended June 30, 2002, we recorded a charge of \$500 related to litigation that became estimable and probable during that quarter and was settled during the quarter ended December 31, 2002.

7. Discontinued Operations

On October 3, 2000, we announced our plans, subject to certain conditions, to separate into two distinct companies by making our Microelectronics business segment an independent, publicly traded company. In accordance with these plans, the Microelectronics business segment was separated into a wholly owned Millipore subsidiary named Mykrolis Corporation (“Mykrolis”) on March 31, 2001. On August 9, 2001, Mykrolis completed an initial public offering (the “Mykrolis IPO”) of 7,000 Mykrolis common shares at a price of \$15.00 per share. Prior to the Mykrolis IPO, our ownership in Mykrolis’ outstanding common shares was 100%, and at December 31, 2001 our ownership in Mykrolis’ outstanding common shares was approximately 82%. On February 27, 2002 (the “Distribution Date”), we distributed our remaining ownership interest in Mykrolis common stock as a dividend to our shareholders of record as of February 13, 2002. During the first quarter of 2002, the amount of loss from discontinued operations that we had estimated during the year ended December 31, 2001 was reduced by \$2,900 to reflect the actual net loss of Mykrolis through the Distribution Date.

8. Basic and Diluted Earnings per Share

In addition to the 48,460 and 48,432 weighted average shares outstanding for the three and six months ended June 30, 2003, respectively, there were 374 and 244 stock options and shares of restricted stock that had a dilutive effect during the three and six months ended June 30, 2003, respectively. Including the dilutive effect of the stock options and shares of restricted stock, there were 48,834 and 48,676 weighted average shares outstanding on a diluted basis for the three and six months ended June 30, 2003, respectively.



MILLIPORE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands, except per share data)

In addition to the 48,176 and 48,034 weighted average shares outstanding for the three and six months ended June 30, 2002, respectively, there were 300 and 443 stock options and shares of restricted stock that had a dilutive effect during the three and six months ended June 30, 2002, respectively. Including the dilutive effect of the stock options and shares of restricted stock, there were 48,476 and 48,477 weighted average shares outstanding on a diluted basis for the three and six months ended June 30, 2002, respectively.

For the three months ended June 30, 2003 and June 30, 2002, 2,895 and 3,026, respectively, of outstanding stock options were excluded from the calculation of diluted earnings per share because their inclusion would have been antidilutive. These options could be dilutive in the future. For the six months ended June 30, 2003 and June 30, 2002, 3,051 and 2,052, respectively, of outstanding stock options were excluded from the calculation of diluted earnings per share because their inclusion would have been antidilutive. These options could be dilutive in the future.

9. Comprehensive Income

The following table presents the components of comprehensive income, net of taxes:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net unrealized (loss) gain on securities available for sale	\$ (9)	\$ 6	\$ 6	\$ (93)
Foreign currency translation adjustments	15,269	25,537	20,887	20,368
Other comprehensive income	15,260	25,543	20,893	20,275
Net income	22,276	22,361	43,612	44,921
Total comprehensive income	\$37,536	\$47,904	\$64,505	\$65,196

10. Business Segment Information

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," establishes standards for reporting information about operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports. It also establishes standards for related disclosures about products and services, geographic areas and major customers. We evaluated our business activities that are regularly reviewed by our chief decision-makers for which separate discrete financial information is available. As a result of this evaluation, we determined that we have three operating segments: BioPharmaceutical, Laboratory Water and Life Sciences, which are aggregated into one reporting segment.

BioPharmaceutical develops, manufactures and sells consumable products and hardware and provides related services used principally in development and manufacturing of therapeutic products. Laboratory Water and Life Sciences manufacture and sell instrumentation, consumable products and services used in drug discovery and other laboratory applications. For all three of these operating segments, economic characteristics, production processes, products and services, types and classes of customers, methods of distribution and regulatory environments are similar. Further, our chief decision-makers evaluate our performance and make resource allocation decisions based on total consolidated company results. Accordingly, the three segments have been aggregated into one reporting segment for financial statement purposes.



MILLIPORE CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands, except per share data)

11. Commitments and Contingencies

We are subject to a number of claims and legal proceedings which, in our opinion, are incidental to our normal business operations. In our opinion, although final settlement of these suits and claims may impact our consolidated financial statements in a particular period, they will not, in the aggregate, have a material adverse effect on our consolidated financial position, results of operations and cash flows.

In November 2002, the FASB issued FASB Interpretation No. 45, "*Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statement Nos. 5, 57, and 107 and Rescission of FASB Interpretation No. 34.*" FIN 45 clarifies the requirements of FASB Statement No. 5, "*Accounting for Contingencies,*" relating to the guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. FIN 45 requires that upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. FIN 45 also requires additional disclosures by a guarantor in its interim and annual financial statements about the obligations associated with guarantees issued. The recognition and measurement provisions are effective on a prospective basis to guarantees issued or modified after December 31, 2002. The adoption of FIN 45 did not have an impact on our condensed consolidated financial statements.

As permitted under Massachusetts law and required by our corporate by-laws, we indemnify our officers and directors for certain events or occurrences while the director or officer is or was serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under these indemnification obligations is unlimited; however, we have a Directors and Officers liability insurance policy that enables us to recover a portion of any future amounts paid. As these indemnification obligations were in effect prior to December 31, 2002 these obligations were grandfathered under the provisions of FIN 45. As there were no known or pending claims, we have not accrued a liability for these agreements as of June 30, 2003.

In the ordinary course of business, we warrant to our customers that our products will conform to our published specifications. Generally, the applicable product warranty period is one year from the date of delivery of the product to the customer or of site acceptance, if required. Additionally, we typically provide limited warranties with respect to our services. From time to time, we also make other warranties to our customers, including warranties that our products are manufactured in accordance with applicable laws and not in violation of third party rights. We provide for estimated warranty costs at the time of the product sale. We believe our warranty reserve as of June 30, 2003 appropriately reflects the estimated fair value of our warranty obligations.

In the ordinary course of business, we agree from time to time to indemnify certain customers against certain third party claims for property damage, bodily injury, personal injury or intellectual property infringement arising from the operation or use of our products. Also, from time to time in agreements with our suppliers, licensors and other business partners, we agree to indemnify these partners against certain liabilities arising out of the sale or use of our products. The maximum potential amount of future payments we could be required to make under these indemnification obligations is unlimited; however, we have general and umbrella insurance policies that enable us to recover a portion of any amounts paid. Based on our experience with such indemnification claims, we believe the estimated fair value of these obligations is minimal. Accordingly, we have no liabilities recorded for these agreements as of June 30, 2003.



MILLIPORE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands, except per share data)

As part of our past acquisitions and divestitures of businesses or assets, we have provided a variety of warranties and indemnifications to the sellers and purchasers that are typical for such transactions. Typically certain of the warranties and the indemnifications expire after a defined period of time following the transaction, but certain warranties and indemnifications may survive indefinitely. In the case of our spin-off of Mykrolis, we agreed to indemnify Mykrolis against any liability associated with Millipore's bioscience businesses, whether arising prior to or following the Distribution Date. We also retain contingent liability under certain lease agreements that were assigned to Mykrolis as part of the spin-off. The warranty and indemnification obligations noted above were grandfathered under the provisions of FIN 45 as they were in effect prior to December 31, 2002. Accordingly, we have no liabilities recorded for these obligations as of June 30, 2003.

12. Other New Accounting Pronouncements

In May 2003, FASB issued Statement of Financial Accounting Standard ("SFAS") No. 150, "*Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*". SFAS No. 150 establishes standards on the classification and measurement of financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003. The adoption of SFAS No. 150 did not have an impact on our consolidated financial statements.

In April 2003, the FASB issued SFAS No. 149, "*Amendment of Statement 133 on Derivative Instruments and Hedging Activities*". This statement amends SFAS No. 133 to provide clarification on the financial accounting and reporting of derivative instruments and hedging activities and requires contracts with similar characteristics to be accounted for on a comparable basis. We are in the process of assessing the effect of SFAS No. 149, but we do not expect the adoption of SFAS No. 149, which will be effective for contracts entered into or modified after June 30, 2003, to have a significant effect on our consolidated financial statements.



Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company

Millipore Corporation ("Millipore", "our" or "we") is a multinational bioscience company that provides technologies, tools and services for the discovery, development and production of therapeutic drugs and for other purposes. Our products serve the worldwide biotechnology and life science research markets as well as other bioscience markets. Our products are based on a variety of enabling technologies, including our membrane filtration and chromatography technologies.

Basis of Presentation and Use of Non-GAAP Financial Measures

The following discussion of the Results of Operations includes reference to "local currencies" which are non-GAAP financial measures. Local currency results represent the foreign currency balances translated to U.S. dollars, in all periods presented, at Millipore's predetermined budgeted exchange rates for 2003, thus excluding the impact of fluctuations in the actual foreign currency rates. Our management uses this presentation for internal evaluation of our financial performance because we believe that the local currency results provide a clearer presentation of underlying business trends. The U.S. dollar results represent the foreign currency balances translated at actual exchange rates. Unless otherwise indicated, all items refer to continuing operations only and amounts are in thousands, except per share data.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. Our most critical accounting policies had a significant impact on the preparation of these condensed consolidated financial statements. These policies include estimates and significant judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We continue to have the same critical accounting policies and estimates as we described in Item 7, on page 11, in our Annual Report on Form 10-K for the year ended December 31, 2002. Those policies and estimates were identified as those relating to revenue recognition, allowance for doubtful accounts, inventory valuation analysis, valuation of long-lived assets, income tax provision, employee retirement plans and our intention to refinance short-term debt on a long-term basis. We continue to evaluate our estimates and judgments on an on-going basis. By their nature, these estimates and judgments are subject to an inherent degree of uncertainty. We base our estimates and judgments on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions.

Results of Operations

Second Quarter of 2003 Compared to the Second Quarter of 2002

Net Sales

The following discussion of net sales summarizes sales growth by the geographies in which our products were sold, the markets in which our products were used and major product types.



Net Sales by Geography

Sales growth by geography, measured in U.S. dollars and local currencies, for the three months ended June 30 ("second quarter"), 2003 as compared with the second quarter of 2002 is summarized in the table below.

Sales by geography in U.S. dollars	Net sales		Percentage sales growth
	2003	2002	
Americas	\$ 84,510	\$ 79,905	6%
Europe	76,047	64,080	19%
Asia/Pacific	35,810	32,139	11%
Consolidated U.S. dollar net sales	\$196,367	\$176,124	12%

Sales by geography in local currencies	Net sales		Percentage sales growth (decline)
	2003	2002	
Americas	\$ 84,425	\$ 80,089	5%
Europe	68,028	68,747	(1)%
Asia/Pacific	36,078	34,254	5%
Consolidated in local currencies	188,531	183,090	3%
Foreign exchange	7,836	(6,966)	
Consolidated U.S. dollar net sales	\$196,367	\$176,124	12%

	% of net sales in U.S. dollars		% of net sales in local currencies	
	2003	2002	2003	2002
Americas	43%	46%	45%	44%
Europe	39%	36%	36%	37%
Asia/Pacific	18%	18%	19%	19%
Total	100%	100%	100%	100%

Net sales for the second quarter of 2003, measured in U.S. dollars, increased 12% as compared with net sales during the second quarter of 2002. Local currency sales increased 3% in the second quarter of 2003 as compared with the second quarter of 2002. During the second quarter of 2003 as compared with the second quarter of 2002, the U.S. dollar weakened against the Euro by almost 20% and weakened by approximately 7% against the Japanese Yen. In general, a weaker U.S. dollar will positively impact sales growth.

Local currency sales in the Americas increased 5% in the second quarter of 2003 as compared with the second quarter of 2002. The U.S., which comprises over 90% of the total Americas, saw an increase in sales during the second quarter of 2003 due to higher sales of consumable products to pharmaceutical and life science customers. Local currency sales in Latin America increased 14%, off of a small base, in the second quarter of 2003 as compared with the second quarter of 2002, due to an increase in sales to pharmaceutical customers.

Local currency sales decreased 1% in Europe during the second quarter of 2003 as compared with the second quarter of 2002. The modest 2003 decline was due to the continued weak capital markets, weak economic conditions and lower demand from sequencing centers and core labs. An increase in sales of other bioscience products was offset by a decline in sales in the biotechnology market.

Local currency sales in the Asia/Pacific region increased 5% in the second quarter of 2003 as compared with the second quarter of 2002. Sales of consumable products in the biotechnology market increased 8%. Partially offsetting this increase was a decrease in local currency sales of our hardware products.





Net Sales by Market

We sell our products into three markets: biotechnology, life science research and other bioscience. The biotechnology market consists of companies that manufacture biotherapeutics. The life science research market consists of research activities in drug discovery, proteomics and genomics within private and publicly funded organizations. The other bioscience market principally includes businesses which develop and manufacture classical pharmaceuticals, have clinical and analytical laboratory activities, or conduct processing and quality control of beverages. Our products may be unique to a market or may be sold in multiple markets depending on the customers' intended use or application. Net sales growth in local currency for the second quarter of 2003 as compared with the second quarter of 2002, by market, is summarized in the table below.

Sales by market in local currencies	Net sales		Percentage sales growth
	2003	2002	
Biotechnology	\$ 63,535	\$ 63,385	—
Life Science Research	26,345	25,932	2%
Other Bioscience	98,651	93,773	5%
Total local currency net sales by market	188,531	183,090	3%
Foreign exchange	7,836	(6,966)	
Total U.S. dollar net sales by market	\$196,367	\$176,124	12%

	% of net sales in local currency	
	2003	2002
Biotechnology	34%	35%
Life Science Research	14%	14%
Other Bioscience	52%	51%
Total	100%	100%

Local currency sales in the biotechnology market were relatively flat during the second quarter of 2003 as compared with the second quarter of 2002. Within the biotechnology market, sales of consumables increased 3%, but were offset by an 11% decline in sales of hardware products, primarily to our customers located in Europe and the U.S. Sales into the biotechnology market are impacted by customers' therapeutic production volumes, major capacity expansions, timing of drug approvals and their commercial success. Therefore, the product demand from customers in this market will vary on a quarterly basis. Geographically, biotechnology sales grew by approximately 4% in the Americas and declined by approximately 4% in Europe.

Local currency sales grew 2% in the life science research market during the second quarter of 2003 as compared with the second quarter of 2002. Our sales in protein research and drug discovery continue to gain positive momentum while sales in genomics applications were weak. The slow growth of sales in the life science research market continues to be the result of weak capital markets in the Americas and Europe which constrained funding to our customers for research and development at life science startups and weak economic conditions in Europe.

Local currency sales growth of 5% in the other bioscience market during the second quarter of 2003 as compared with the second quarter of 2002 was primarily due to increased sales of consumable products to customers conducting either laboratory research or process manufacturing. Geographically, other bioscience sales grew by more than 8% in the Americas. The Americas' sales growth benefited from growth in sales to pharmaceutical customers and increases in spending for U.S. homeland defense initiatives.



Net Sales by Major Product Type

We divide our product offerings into three categories: consumables, hardware and services. Consumables is the largest category with approximately 79% of net sales during the second quarter of 2003, a slight increase from 78% of net sales during the second quarter of 2002. Consumables include products such as laboratory sample preparation and screening devices and kits in various low and high throughput formats, specialty membranes, large process scale cartridges manufactured in various flat or cylindrical formats. Hardware sales represented approximately 18% of net sales during the second quarter of 2003, down slightly from 19% of net sales during the second quarter of 2002. Hardware products include items such as small benchtop filtration systems and cartridge integrity testers, large stainless steel process scale filtration and chromatography systems and columns costing up to several million dollars as well as a variety of systems for laboratory water purification. Consumables typically have higher profit margins than hardware. The services category represents approximately 3% of net sales in each respective period. Included in this category are field services for the maintenance of laboratory water purification systems and validation services offered to biotechnology and classical pharmaceutical customers.

Net sales growth (decline) by product type, measured in U.S. dollars and local currencies for the second quarter of 2003 as compared with the second quarter of 2002, is summarized in the table below.

Sales by product type in local currencies	Net sales		Percentage sales growth (decline)
	2003	2002	
Consumables	\$148,919	\$142,066	5%
Hardware	32,947	35,064	(6)%
Services	6,665	5,960	12%
Total local currency net sales by product	188,531	183,090	3%
Foreign exchange	7,836	(6,966)	
Total U.S. dollar net sales by product	\$196,367	\$176,124	12%

	% of net sales in local currency	
	2003	2002
Consumables	79%	78%
Hardware	18%	19%
Services	3%	3%
Total	100%	100%

Local currency sales growth of 5% in consumables during the second quarter of 2003 as compared with the second quarter of 2002 was primarily attributable to product sales related to the manufacturing of currently licensed drugs, clinical quantities of drugs now in late-stage clinicals. Sales of consumables grew across all markets.

Local currency sales decreased 6% in hardware during the second quarter of 2003 as compared with the second quarter of 2002. This decline is a result of a number of expected hardware projects being delayed by our customers to future quarters. We do not have any assurances that we will record sales related to projects that have been deferred as orders are not guaranteed. The demand for our hardware products is driven principally by the placement of hardware and plant or production line start-ups in any given quarter and is subject to variability. In addition to the decline in hardware sales in the biotechnology market, sales of laboratory water purification systems declined due to research funding delays from government entities impacting our customers' hardware purchasing decisions.



Local currency sales growth was 12% for services during the second quarter of 2003 as compared with the second quarter of 2002. The continued increase in service revenue is associated with the installed base of water filtration systems as well as increased validation support services for biotechnology customers.

Gross Profit Margins

Gross profit margin percentages were 54.9% in the second quarter of 2003 as compared with 57.5% in the second quarter of 2002. The change in our gross profit margin percentage for the second quarter of 2003 as compared with the second quarter of 2002 was mainly due to lower capacity utilization in our recently expanded manufacturing plants and unfavorable exchange rates which resulted in increased costs of our products manufactured in Europe. The manufacturing plants were expanded during the second half of 2002 to support increased levels of production in future periods. The increased manufacturing capacity has resulted in a higher level of depreciation and overhead costs, which has decreased gross profit margin.

Operating Expenses

Selling, general and administrative (“SG&A”) expenses increased \$7,536, or 13.9%, in the second quarter of 2003 as compared with the second quarter of 2002. The increase during the second quarter of 2003 was primarily due to \$3,728 of unfavorable foreign exchange translation. In local currencies, SG&A increased at a rate of 6.8% in the second quarter of 2003 as compared with the second quarter of 2002. This increase was mainly due to an increase in facilities costs, which were partially offset by less travel and promotion programs during the second quarter of 2003. As a percentage of sales, SG&A expenses increased from 30.8% to 31.5% from the second quarter of 2002 to the second quarter of 2003.

Research and development (“R&D”) expenses increased \$538, or 4.0%, in the second quarter of 2003 as compared with the second quarter of 2002. The increase during the second quarter of 2003 included \$535 of unfavorable foreign exchange translation. In local currencies, R&D remained constant in the second quarter of 2003 as compared with the second quarter of 2002. We continue to fund our planned R&D programs, including those in the areas of proteomics, drug discovery and biopharmaceutical manufacturing. As a percentage of sales, R&D expenses decreased from 7.7% to 7.2% from the second quarter of 2002 to the second quarter of 2003.

Restructuring and Other Charges

During the second quarter of 2003, we completed the restructuring program that we had initiated during 2001 and recovered approximately \$250 in assets that we had originally written-off and deemed uncollectible. Upon completion of this restructuring program, we reversed \$604 of the original estimated reserve, which included the \$250 recovered during this quarter and \$354 of previously estimated lease and severance payments, as these amounts were no longer required.

During the second quarter of 2002, we recorded a charge of \$500 related to litigation that became estimable and probable during that quarter and was settled during the quarter ended December 31, 2002.

Net Interest Expense

Net interest expense decreased \$518 in the second quarter of 2003 as compared with the second quarter of 2002. The lower net interest expense was a result of both lower outstanding debt and lower interest rates. The interest rate on approximately half of our debt decreased approximately 20% as that interest rate is based on LIBOR, which decreased during this period.

Provision for Income Taxes

Our effective tax rate on net income for the second quarter of 2003 was 22.5% as compared with 22.0% during the second quarter of 2002. The effective annual tax rate for 2003 is expected to be higher than the 2002 tax rate, because we expect a greater portion of our profits to be generated in higher tax jurisdictions.



Six Months Ended June 30, 2003 Compared to the Six Months Ended June 30, 2002

Net Sales

The following discussion of net sales summarizes sales growth by the geographies in which our products were sold, the markets in which our products were used and major product types.

Net Sales by Geography

Sales growth by geography, measured in U.S. dollars and local currencies, for the first six months of 2003 as compared with the first six months of 2002 is summarized in the table below.

Sales by geography in U.S. dollars	Net sales		Percentage sales growth
	2003	2002	
Americas	\$162,432	\$155,526	4%
Europe	150,450	122,712	23%
Asia/Pacific	70,937	64,518	10%
Consolidated U.S. dollar net sales	\$383,819	\$342,756	12%

Sales by geography in local currencies	Net sales		Percentage sales growth
	2003	2002	
Americas	\$162,636	\$155,814	4%
Europe	137,849	134,724	2%
Asia/Pacific	71,847	70,103	3%
Consolidated in local currencies	372,332	360,641	3%
Foreign exchange	11,487	(17,885)	
Consolidated U.S. dollar net sales	\$383,819	\$342,756	12%

	% of net sales in U.S. dollars		% of net sales in local currencies	
	2003	2002	2003	2002
Americas	42%	45%	44%	43%
Europe	39%	36%	37%	37%
Asia/Pacific	19%	19%	19%	20%
Total	100%	100%	100%	100%

Net sales for the first six months of 2003, measured in U.S. dollars, increased 12% as compared with net sales during the first six months of 2002. Local currency sales increased 3% in the first six months of 2003 as compared with the first six months of 2002. During the first six months of 2003, the U.S. dollar weakened against the Euro by almost 19% and weakened by approximately 9% against the Japanese Yen. In general, a weaker U.S. dollar will positively impact sales growth.

Local currency sales in the Americas increased 4% in the first six months of 2003 as compared with the first six months of 2002. The U.S., which comprises over 90% of the total Americas, saw an increase in sales during the first six months of 2003 due to higher sales of consumable products to biotechnology and life science research customers which were partially offset by lower sales of hardware products. Local currency sales in Latin America increased 11%, off of a small base, in the first six months of 2003 as compared with the first six months of 2002, due to an increase in sales to biotechnology customers.



Local currency sales increased 2% in Europe during the first six months of 2003 as compared with the first six months of 2002. During the first six months of 2003, sales of our consumable products to the biotechnology and other bioscience markets increased, but were partially offset by the continued weak capital markets and weak economic conditions that resulted in a decline in sales of our hardware products.

Local currency sales in the Asia/Pacific region increased 3% in the first six months of 2003 as compared with the first six months of 2002. Japanese laboratory water purification consumable sales in the life science research market remained strong.

Net Sales by Market

Net sales growth in local currency for the first six months of 2003 as compared with the first six months of 2002, by market, is summarized in the table below.

Sales by market in local currencies	Net sales		Percentage sales growth
	2003	2002	
Biotechnology	\$124,635	\$122,966	1%
Life Science Research	52,857	51,523	3%
Other Bioscience	194,840	186,152	5%
Total local currency net sales by market	372,332	360,641	3%
Foreign exchange	11,487	(17,885)	
Total U.S. dollar net sales by market	\$383,819	\$342,756	12%

	% of net sales in local currency	
	2003	2002
Biotechnology	34%	34%
Life Science Research	14%	14%
Other Bioscience	52%	52%
Total	100%	100%

Local currency sales in the biotechnology market were relatively flat during the first six months of 2003 as compared with the first six months of 2002. Sales within the biotechnology market were flat as sales of consumables increased almost 6%, but were offset by a 15% decline in sales of hardware products, primarily to our customers located in Europe and the U.S. Overall sales in the biotechnology market increased 3% in the Americas and Europe, but this increase was mostly offset by a decrease in the Asia/Pacific region.

Local currency sales grew 3% in the life science research market during the first six months of 2003 as compared with the first six months of 2002. This increase was largely due to increased sales in the life science research market of consumable products associated with our laboratory water purification systems and sales of products for protein research. Sales in the life science research market continue to be impacted by weak capital markets which constrained funding to our customers for research and development at life science startups. The 7% increase in life science research market sales in Europe and in Asia/Pacific was partially offset by a 3% decrease in sales in the Americas.

Local currency sales growth of 5% in the other bioscience market during the first six months of 2003 as compared with the first six months of 2002 was primarily due to increased sales of consumable products associated with our laboratory water purification systems.



Net Sales by Major Product Type

Net sales growth (decline) by product type, measured in U.S. dollars and local currencies for the first six months of 2003 as compared with the first six months of 2002, is summarized in the table below.

Sales by product type in local currencies	Net sales		Percentage sales growth (decline)
	2003	2002	
Consumables	\$292,335	\$277,711	5%
Hardware	66,408	71,332	(7)%
Services	13,589	11,598	17%
Total local currency net sales by product	372,332	360,641	3%
Foreign exchange	11,487	(17,885)	
Total U.S. dollar net sales by product	\$383,819	\$342,756	12%

	% of net sales in local currency	
	2003	2002
Consumables	79%	77%
Hardware	18%	20%
Services	3%	3%
Total	100%	100%

Local currency sales growth of 5% in consumables during the first six months of 2003 as compared with the first six months of 2002 was primarily attributable to product sales related to the manufacturing of currently licensed drugs, clinical quantities of drugs now in late-stage clinicals. Sales of consumables grew across all markets.

Local currency sales decreased 7% in hardware during the first six months of 2003 as compared with the first six months of 2002. Throughout 2003 a number of hardware projects have been delayed by our customers in the biotechnology market to future quarters as funding of new research and development programs and many capital expansion programs have been constrained. We do not have any assurances that we will record sales related to projects that have been deferred as orders are not guaranteed. In addition to the decline in hardware sales in the biotechnology market, sales of laboratory water purification systems declined due to research funding delays from government entities impacting our customers' hardware purchasing decisions.

Local currency sales growth was 17% for services during the first six months of 2003 as compared with the first six months of 2002. The continued increase in service revenue is due to service revenues associated with the installed base of water filtration systems as well as increased validation support services to our customers.

Gross Profit Margins

Gross profit margin percentages were 55.5% in the first six months of 2003 as compared with 58.0% in the first six months of 2002. The change in our gross profit margin percentage for the first six months of 2003 as compared with the first six months of 2002 was mainly due to lower capacity utilization in our recently expanded manufacturing plants and unfavorable exchange rates. The manufacturing plants were expanded during the second half of 2002 to support increased levels of production in future periods. The increased manufacturing capacity has resulted in a higher level of depreciation and overhead costs which has decreased our gross profit margin.

Operating Expenses

SG&A expenses increased \$12,995, or 11.9%, in the first six months of 2003 as compared with the first six months of 2002. The increase during the first six months of 2003 was primarily due to \$8,536 of unfavorable



foreign exchange translation. In local currencies, SG&A increased at a rate of 4.0% in the first six months of 2003 as compared with the first six months of 2002. This increase was mainly due to an increase in employee related costs as well as increased facilities costs, which were partially offset by less travel and promotion programs during the first six months of 2003. As a percentage of sales, SG&A expenses decreased from approximately 31.8% to 31.7% from the first six months of 2002 to the first six months of 2003.

R&D expenses increased \$1,960, or 7.6%, in the first six months of 2003 as compared with the first six months of 2002. The increase during the first six months of 2003 included \$1,043 of unfavorable foreign exchange translation. In local currencies, R&D increased at a rate of 3.5% in the first six months of 2003 as compared with the first six months of 2002. We continued to fund our planned R&D programs, including those in the areas of proteomics, drug discovery and biopharmaceutical manufacturing. As a percentage of sales, R&D expenses decreased from 7.6% to 7.3% from the first six months of 2002 to the first six months of 2003.

Restructuring and Other Charges

During the first six months of 2003, we completed the restructuring program that we had initiated during 2001 and recovered approximately \$250 in assets that we had originally written-off and deemed uncollectible. Upon completion of this restructuring program, during the first six months of 2003, we reversed \$604 of the original estimated reserve, which included the \$250 recovered during 2003 and \$354 of previously estimated lease and severance payments, as these amounts were no longer required. During the first six months of 2002, we recorded a charge of \$500 related to litigation that became estimable during that period and was settled during the year ended December 31, 2002.

Net Interest Expense

Net interest expense decreased \$1,998 in the first six months of 2003 as compared with the first six months of 2002. The lower net interest expense was a result of lower average interest borrowing rates and lower outstanding debt. At the end of the first quarter of 2002, we refinanced our 7.2% \$100,000 public debt with available borrowing capacity under a revolving credit agreement which had a lower variable interest rate that is based on LIBOR. During the first six months of 2003, the weighted average interest rate on the revolving credit agreement was approximately 2.4%.

Provision for Income Taxes

Our effective tax rate on net income for the first six months of 2003 was 22.5% as compared with 22.0% during the first six months of 2002. The effective annual tax rate for 2003 is expected to be higher than the 2002 tax rate, because we expect a greater portion of our profits to be generated in higher tax jurisdictions.

Discontinued Operations

On October 3, 2000, we announced our plans, subject to certain conditions, to separate into two distinct companies by making our Microelectronics business segment an independent, publicly traded company. In accordance with these plans, the Microelectronics business segment was separated into a wholly owned Millipore subsidiary named Mykrolis Corporation (“Mykrolis”) on March 31, 2001. On August 9, 2001, Mykrolis completed an initial public offering (the “Mykrolis IPO”) of 7,000 Mykrolis common shares at a price of \$15.00 per share. Prior to the Mykrolis IPO, our ownership in Mykrolis’ outstanding common shares was 100%, and at December 31, 2001 our ownership in Mykrolis’ outstanding common shares was approximately 82%. On February 27, 2002 (the “Distribution Date”), we distributed our remaining ownership interest in Mykrolis common stock as a dividend to our shareholders of record as of February 13, 2002. During the first quarter of 2002, the amount of loss from discontinued operations that we had estimated during the year ended December 31, 2001 was reduced by \$2,900 to reflect the actual net loss of Mykrolis through the Distribution Date.



Market Risk

We are exposed to market risks, which include changes in foreign currency exchange rates as measured both against the U.S. dollar and each other. We manage these market risks through our normal financing and operating activities and, when appropriate, through the use of derivative financial instruments.

We are exposed to foreign currency exchange rate risk inherent in sales, net income and assets and liabilities denominated in currencies other than the U.S. dollar. The potential change in foreign currency exchange rates offers a substantial risk to us, as on average approximately 55% of our business is conducted outside of the United States, generally in foreign currencies. Our risk management strategy currently uses forward contracts to mitigate certain foreign currency exposures. The intent is to offset gains and losses that occur on the underlying exposures, with gains and losses resulting from the forward contracts. These contracts principally related to the Euro, Japanese Yen and British Pound. The periods of these forward contracts typically span less than three months. We held forward foreign exchange contracts with U.S. equivalent notional amounts totaling \$62,147 at June 30, 2003. The fair value of these contracts was \$765 at June 30, 2003. Additionally, we are able to partially mitigate the impact of fluctuations in currencies by active management of cross border currency flows and material sourcing. We do not enter into derivatives for trading or other speculative purposes, nor do we use leveraged financial instruments.

Although we attempt to manage our foreign currency exchange risk through the above activities, when the U.S. dollar strengthens against currencies in which we transact business, generally sales and net income will be adversely impacted.

Capital Resources and Liquidity

Cash flow provided from operations was \$43,805 in the first six months of 2003 as compared with \$22,388 in the first six months of 2002. The increase in cash flow from operations in the first six months of 2003 compared with the first six months of 2002 was primarily the result of increased accrued expenses, accrued income taxes and inventory increased less than the comparative six month period being partially offset by higher accounts receivable and lower accounts payable.

Accounts receivable increased \$8,097 at June 30, 2003 as compared with December 31, 2002. The increase in accounts receivable resulted in an increase in days sales outstanding ("DSO") in U.S. dollars of 2 days, from 79 days at December 31, 2002 to 81 days at June 30, 2003. Accounts receivable increased in Europe and the Asia/Pacific region while decreasing in the Americas. This overall increase was primarily the result of the economic environment and temporary impact of implementing new accounts receivable software in Europe.

Inventory increased \$10,493 at June 30, 2003 as compared with December 31, 2002. The increase in inventory was primarily a result of planned stockpiling initiatives for key raw materials and the purchase of certain long lead time components.

The change in accrued income taxes benefited our cash position by \$7,110 due to fewer payments being required during the first six months of 2003 as compared with the first six months of 2002. During the first half of 2002, we made additional estimated tax payments and tax settlements in Europe and the U.S.

A portion of the operating cash flow during the first six months of 2003 was used in investing activities for the purchase of property, plant and equipment. We purchased \$28,011 of property, plant and equipment during the first six months of 2003 as compared with \$29,261 during the first six months of 2002. We expect to purchase an additional \$45,000 to \$50,000 during the remainder of 2003. Our 2003 additions are being driven principally by our continued need to add manufacturing capacity and R&D facilities in the U.S. and Europe. We had various capital programs in progress at June 30, 2003 which we anticipate substantially completing during the remainder of 2003. During the first six months of 2003, we invested an additional \$410, for a cumulative total of \$7,873 invested to date, related to a planned \$30,000 project to expand manufacturing capacity adjacent to our



existing manufacturing facility in Ireland. We have delayed completion of this facility as existing manufacturing capacity related to a core consumable product line supplemented with the stockpiling initiative can meet the expected demand of this product line through 2006. We do not expect to complete construction of this facility prior to 2006. This facility is currently a multipurpose building shell that is expected to increase manufacturing capacity for this product line. If necessary, this facility could be used for the manufacturing of alternative products. During the first six months of 2002, we also made an investment and purchased intangible assets for \$2,609 from cash flows from investing activities.

Cash flows from financing activities during the first six months of 2003 were principally a result of receiving \$4,029 from employees exercising stock options and purchasing shares of our common stock in accordance with our Employees' Stock Purchase Plan ("ESPP"). During the first six months of 2002, we received \$12,573 from employees exercising stock options and purchasing shares of our common stock in accordance with our ESPP and we paid \$5,266 in dividends that had been declared for the fourth quarter of 2001. Beginning in 2002, we discontinued dividend payments.

During the first six months of 2002, we funded Mykrolis \$3,419 to support Mykrolis' operations, prior to the Distribution Date.

In 2001, we entered into a five year unsecured revolving credit agreement that allows for revolving loan borrowings of up to \$250,000. As of June 30, 2003, we have drawn \$154,256 against our credit agreement. The revolving credit agreement calls for us to maintain certain financial covenants in the areas of leverage and interest coverage. We are compliant with all required covenants. In addition, we have a \$75,000 7.23% note that will become due on April 30, 2004. It is our intention and we believe we have the ability to obtain new debt at prevailing market rates or utilize available borrowing capacity under our revolving credit agreement to refinance the 7.23% note when it becomes due in April 2004.

We believe that our balances of cash and cash equivalents, funds available under the credit agreement and cash flows expected to be generated by future operating activities will be sufficient to meet our cash requirements over the next twelve to twenty-four months.

Legal Proceedings

We are currently not a party to any material legal proceeding and we do not know of any material legal proceeding contemplated by any governmental authority.

We are subject to a number of claims and legal proceedings which, in our opinion, are incidental to our normal business operations. In our opinion, although final settlement of these suits and claims may impact our consolidated financial statements in a particular period, they will not, in the aggregate, have a material adverse effect on our consolidated financial position, results of operations and cash flows.

Forward-Looking Statements

The matters discussed in this Form 10-Q, as well as in future oral and written statements by our management, that are forward-looking statements are based on our current management expectations. These expectations involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. These risks and uncertainties include without limitation, foreign exchange rates; regulatory delay in the approval of new therapeutics and their ultimate commercial success; further consolidation of drug manufacturers; competitive factors such as new membrane technology; lack of availability of raw materials or component products on a timely basis; inventory risks due to shifts in market demand; change in product mix; conditions in the economy in general and in the bioscience markets in particular; potential environmental liabilities; the inability to utilize technology in current or planned products due to overriding rights by third parties; difficulties inherent in research and development activities; and the risk factors listed from time to time in our filings with the Securities and Exchange Commission.



Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The information called for by this item is set forth under the heading “Market Risk” in Management’s Discussion and Analysis contained in this Form 10-Q which information is hereby incorporated by reference.

Item 4. Controls and Procedures.

An evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the fiscal quarter covered by this report. Based upon that evaluation, the CEO and CFO have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported in accordance with and within the time periods specified in Securities and Exchange Commission rules and forms.

PART II

Item 4. Submission of Matters to a Vote of Security Holders

The annual Meeting of Stockholders of Millipore Corporation was held on April 30, 2003. At the Annual Meeting the following matters were voted on:

- a: The election of three Class I Directors for a three-year term (expiring in 2006). The following votes were tabulated with respect to the election:

	Votes “For”	“Withhold”
Mark Hoffman	44,244,873	1,561,337
John F. Reno	38,485,550	7,320,660
Karen E. Welke	38,480,741	7,325,469

- b: Amendment of the Millipore Corporation 1999 Stock Option Plan for Non-Employee Directors: The following votes were tabulated with respect to this amendment:

	Votes “For”	“Against”	“Abstain”
	34,087,880	11,412,260	306,067

Item 6. Exhibits and Reports on Form 8-K

- a. Exhibits.
 - 10.1 Amendment to Shareholder Rights Agreement
 - 10.2 Amended and Restated Millipore Corporation 1999 Stock Option Plan for Non-Employee Directors
 - 10.3 Standard Executive Termination Agreement, as amended
 - 31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))
 - 31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))
 - 32.1 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

- b. Reports on Form 8-K filed with or furnished to the Securities and Exchange Commission:

On April 16, 2003, we furnished a Form 8-K that included a copy of the April 15, 2003 press release related to our financial results for the quarter ended March 31, 2003.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ KATHLEEN B. ALLEN</u> Kathleen B. Allen	Vice President and Chief Financial Officer	August 7, 2003
<u>/s/ DONALD B. MELSON</u> Donald B. Melson	Corporate Controller (Chief Accounting Officer)	August 7, 2003



Exhibit Index

<u>Exhibit Number</u>	<u>Exhibit Title</u>
10.1	Amendment to Shareholder Rights Agreement
10.2	Amended and Restated Millipore Corporation 1999 Stock Option Plan for Non-Employee Directors
10.3	Standard Executive Termination Agreement, as amended
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002



[Amended April 30, 2003]

MILLIPORE CORPORATION
1999 STOCK OPTION PLAN FOR NON-EMPLOYEE DIRECTORS

1. PURPOSE

The purpose of the 1999 Stock Option Plan for Non-Employee Directors (the "Plan") is to advance the interests of Millipore Corporation (the "Company") by enhancing the ability of the Company to attract and retain non-employee directors who are in a position to make significant contributions to the success of the Company and to reward directors for such contributions through ownership of shares of the Company's common stock (the "Stock").

2. ADMINISTRATION

The Plan shall be administered by the Governance and Public Policy Committee of the Board of Directors (the "Board") of the Company (the "Committee"). The Committee shall have authority, not inconsistent with the express provisions of the Plan, (a) to grant options in accordance with the Plan to such directors as are eligible to receive options; (b) to prescribe the form or forms of instruments evidencing options and any other instruments required under the Plan and to change such forms from time to time; (c) to adopt, amend and rescind rules and regulations for the administration of the Plan; and (d) to interpret the Plan and to decide any questions and settle all controversies and disputes that may arise in connection with the Plan. Such determinations of the Committee shall be conclusive and shall bind all parties. Subject to Section 8, the Committee shall also have the authority, both generally and in particular instances, to waive compliance by a director with any obligation to be performed by him or her under an option and to waive any condition or provision of an option.

A majority of the members of the Committee shall constitute a quorum, and all determinations of the Committee shall be made by a majority of its members. Any determination of the Committee under the Plan may be made without notice or meeting of the Committee by a writing signed by a majority of its members.

All members of the Committee shall be "disinterested persons" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934.

3. EFFECTIVE DATE AND TERM OF PLAN

The Plan shall become effective on the date on which the Plan is approved by the shareholders of the Company; provided, however, that any options granted prior to approval shall be subject to the Plan as approved by the shareholders of the Company. No option shall be granted under the Plan after the completion of ten years from the effective date (the "Termination Date"), but options previously granted may extend beyond that date.

4. SHARES SUBJECT TO THE PLAN

(a) *Number of Shares.* Subject to adjustment as provided in Section 4(c), the aggregate number of shares of Stock that may be delivered upon the exercise of options granted under the Plan shall be 250,000. If any option granted under the Plan terminates without having been exercised in full, the number of shares of Stock as to which such option was not exercised shall be available for future grants within the limits set forth in this Section 4(a).

(b) *Shares to be Delivered.* Shares delivered under the Plan shall be authorized but unissued Stock or, if the Board so decides in its sole discretion, previously issued Stock acquired by the Company and held in treasury. No fractional shares of Stock shall be delivered under the Plan.



(c) *Changes in Stock.* In the event of a stock dividend, stock split or combination of shares, recapitalization or other change in the Company's capital stock, the number and kind of shares of stock or securities of the Company subject to options then outstanding or subsequently granted under the Plan, the maximum number of shares or securities that may be delivered under the Plan, the exercise price, and other relevant provisions shall be appropriately adjusted by the Committee, whose determination shall be binding on all persons.

The Committee may also adjust the number of shares subject to outstanding options, the exercise price of outstanding options and the terms of outstanding options, to take into consideration material changes in accounting practices or principles, consolidations or mergers (except those described in Section 6(i), acquisitions or dispositions of stock or property or any other event if it is determined by the Committee that such adjustment is appropriate to avoid distortion in the operation of the Plan.

5. ELIGIBILITY FOR OPTIONS

Directors eligible to receive options under the Plan ("Eligible Directors") shall be any director who (i) is not an employee of the Company, and (ii) is not a holder of more than 5% of the outstanding shares of the Stock or a person who is in control of such holder.

6. TERMS AND CONDITIONS OF OPTIONS

(a) *Number of Options.* Each newly elected Eligible Director shall be awarded options covering 5,000 shares of Stock on the date of his or her first election.

Following the initial grants, each Eligible Director shall be awarded options covering 2,500 shares of Stock at the first Directors' Meeting following the Annual Meeting of Shareholders, following his or her initial grant and each anniversary thereof, provided such individual is then an Eligible Director.

(b) *Exercise Price.* The exercise price of each option shall be 100% of the fair market value per share of the Stock at the time the option is granted but not less, in the case of an original issue of authorized stock, then par value per share. The "fair market value" shall be defined as the closing price for Millipore stock on the New York Stock Exchange on the composite tape on the last business day prior to the date on which the option was granted, or if no sale of the stock shall have been made on the New York Stock Exchange on that day, on the next preceding day on which there was a sale of such stock.

(c) *Duration of Options.* The latest date on which an option may be exercised (the "Final Exercise Date") shall be the date which is ten years from the date the option was granted.

(d) *Exercise of Options.*

(1) Each option shall first become exercisable upon the completion of one year from the date of grant, at which time the option shall be exercisable to the extent of 25% of the shares covered thereby. It shall become exercisable as to an additional 25% of the shares covered thereby on subsequent anniversaries of the date of grant, so that it shall be exercisable in full after the fourth anniversary.

(2) Any exercise of an option shall be in writing, signed by the proper person and delivered or mailed to the Company, accompanied by (a) the option certificate and any other documents required by the Committee and (b) payment in full for the number of shares for which the option is exercised.

(3) If an option is exercised by the executor or administrator of a deceased director, or by the person or persons to whom the option has been transferred by the director's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock pursuant to such exercise until the Company is satisfied as to the authority of the person or persons exercising the option.



The Company may, either in the instrument evidencing the option or in a written instrument delivered at any time subsequent to the granting of the option provide for an optionee a special exercise period which will apply if an Eligible Director's services as a director terminate due to retirement at age 70 or such other age as the Board of Directors may determine from time to time, or he or she ceases to perform services as a director earlier with the consent of the Company ("Special Exercise Period"). The Special Exercise Period will begin on his or her termination and will end on the earlier of up to the fifth anniversary of his or her termination or the earlier expiration date of the option. During such period the option will be exercisable to the extent it would have been exercisable had the Eligible Director continued to perform services as a director for the Company. Any question whether or not an Eligible Director has retired or ceased to perform services as a director shall be determined by the Committee, and its determination shall be final. With respect to stock options granted on or after December 1, 1997, each optionee shall be provided the Special Exercise Period without further consent of the Company if an optionee's services as a director terminate due to retirement at age 70 or such other age as the Board of Directors may determine from time to time.

(4) If an Eligible Director dies while performing services for the Company or during a special exercise period provided under this section, his or her option may be exercised in accordance with Section 6(g) below.

Notwithstanding the provisions of the preceding paragraph the Company shall have the right, but shall not be required to repurchase from any Eligible Director who ceases to render services as a director without the consent and approval of the Company, within six (6) months of the exercise of any options, the shares of the Company's Common Stock so purchased by such Eligible Director at their original purchase (or exercise) price.

(e) *Payment for and Delivery of Stock.* Stock purchased under the Plan shall be paid for as follows: (i) in cash or by certified check, bank draft or money order payable to the order of the Company, (ii) through the delivery of shares of Stock having a fair market value on the last business day preceding the date of exercise equal to the purchase price or (iii) by a combination of cash and Stock as provided in clauses (i) and (ii) above.

An option holder shall not have the rights of a shareholder with regard to awards under the Plan except as to Stock actually received by him under the Plan.

The Company shall not be obligated to deliver any shares of Stock (a) until, in the opinion of the Company's counsel, all applicable federal and state laws and regulations have been complied with, and (b) if the outstanding Stock is at the time listed on any stock exchange, until the shares to be delivered have been listed or authorized to be listed on such exchange upon official notice of issuance, and (c) until all other legal matters in connection with the issuance and delivery of such shares have been approved by the Company's counsel. If the sale of Stock has not been registered under the Securities Act of 1933, as amended, the Company may require, as a condition to exercise of the option, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of such Act and may require that the certificates evidencing such Stock bear an appropriate legend restricting transfer.

(f) *Nontransferability of Options.* No option may be transferred other than by will or by the laws of descent and distribution, and during a director's lifetime an option may be exercised only by him or her.

(g) *Death.* Should an Eligible Director die while a director of the Company, or within a special exercise period provided to him or her under Section 6(d)(3), any option held by him or her at death may be exercised by his or her estate, or by the person or persons designated in his or her last will and testament, as follows: In the case of death while an Eligible Director, each option will be exercisable until the earlier of the first anniversary of his or death and the original expiration date of the option to the extent the option was exercisable by the optionee at the time of death. In the case of death during a special exercise period, each option will be exercisable during the remainder of such period to the extent it would have been exercisable had the director lived.



(h) *Other Termination of Status of Director.* If a director's service with the Company terminates for any reason other than as provided in paragraphs 6(d)(3) and 6(g) above, all options held by the director shall terminate immediately.

(i) *Mergers, etc.* In the event of a consolidation or merger in which the Company is not the surviving Corporation or which results in the acquisition of substantially all the Company's outstanding Stock by a single person or entity or by a group of persons and/or entities acting in concert, or in the event of the sale or transfer of substantially all the Company's assets, all outstanding options shall thereupon terminate, provided that at least 20 days prior to the effective date of any such merger, consolidation or sale of assets, the Board shall either (i) make exercisable, immediately prior to consummation of such merger, consolidation or sale of assets, that portion of all outstanding options determined by multiplying the total number of shares covered by each option by a fraction (not greater than one) (A) the numerator of which is the number of full months elapsed after the date of grant and prior to such event, and (B) the denominator of which is the number of months between the date of grant and the date on which the option would have first become exercisable in full, and rounding the resulting number of shares to the nearest whole number, or (ii) if there is a surviving or acquiring corporation, arrange, subject to consummation of the merger, consolidation or sale of assets, to have that corporation or an affiliate of that corporation grant replacement options.

7. ASSOCIATION RIGHTS.

Neither the adoption of the Plan nor the grant of options shall confer upon any Eligible Director the right to continued association with the Company or affect in any way the right of the Company to terminate its association with a director. Except as specifically provided by the Committee in any particular case, the loss of existing or potential profit in options granted under this Plan shall not constitute an element of damages in the event of termination of any agreement or arrangement with an option holder even if the termination is in violation of an obligation of the Company to such person under that agreement or arrangement.

8. EFFECT, DISCONTINUANCE, CANCELLATION, AMENDMENT AND TERMINATION.

Neither adoption of the Plan nor the grant of options to a director shall affect the Company's right to grant to such director options that are not subject to the Plan, to issue to such directors Stock as a bonus or otherwise, or to adopt other plans or arrangements under which stock may be issued to directors.

The Committee may at any time discontinue granting options under the Plan. The Committee may at any time or times amend the Plan for the purpose of satisfying any changes in applicable laws or regulations or for any other purpose which may at the time be permitted by law, or may at any time terminate the Plan as to any further grants of options, provided that (except to the extent expressly required or permitted hereinabove), no such amendment shall, without the approval of the shareholders of the Company, (a) increase the maximum number of shares available under the Plan, (b) increase the number of options granted to Eligible Directors, (c) amend the definition of Eligible Director so as to enlarge the group of directors eligible to receive options under the Plan, (d) reduce the price at which options may be granted, (e) change or extend the times at which options may be granted, or (f) amend the provisions of this Section 8, and no such amendment shall adversely affect the rights of any director (without his or consent) under any option previously granted.



Exhibit 10.3

EXECUTIVE TERMINATION AGREEMENT

Agreement between MILLIPORE CORPORATION, a Massachusetts corporation with offices at 290 Concord Road, Billerica, Massachusetts 01821 (“Millipore” or the “Company”) and _____ (the “Executive”) dated _____.

WITNESSETH

RECITALS

- A. The Executive is an officer and key member of Millipore’s management.
- B. Millipore believes that it is in its best interests, as well as those of its stockholders, to assure the continuity of management in general and the Executive in particular, for a fixed period of time in the event of actual or threatened change of control of the Company and whether or not such change of control is thought by Millipore’s Board of Directors to be in the best interest of its stockholders.
- C. This Agreement is not intended to alter materially the compensation, benefits or terms of employment that the



Executive could reasonably expect in the absence of a change in control of Millipore, but is intended to encourage and reward his compliance with the wishes of the Millipore Board of Directors whatever they may be in the event that a change of control occurs or is threatened.

- D. This Agreement supersedes and replaces the previous Executive Termination Agreement between the Executive and Millipore.

AGREEMENT

1. Definitions

1.01 The term "Change of Control" shall mean a change in control as the result of any tender offer, market purchase program, proxy solicitation, merger, consolidation, sale of assets or otherwise of a nature that would be required to be reported in response to Item 5(f) of Schedule 14A of Regulation 14a promulgated under the Securities Exchange Act of 1934 as in effect on the date of this Agreement; provided that without limitation, such a Change in Control shall be deemed to have occurred if and when (a) any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) is or becomes a beneficial owner, directly or indirectly, of securities of Millipore representing 20% or more of the combined voting power of Millipore's then outstanding securities or (b) during any period of 24 consecutive months, commencing before or after the



date of the Agreement, individuals who at the beginning of such 24 month period were directors of Millipore cease for any reason to constitute at least a majority of the Board of Directors of Millipore.

1.02 The term “Impending Change of Control” refers to any event or circumstances which gives rise to a threat or a likelihood of Change of Control, whether or not supported or approved by Millipore’s management or directors. A determination made by Millipore’s Board of Directors that an event constituting an Impending Change of Control has occurred shall be binding and conclusive if such determination is made by the Board in good faith.

1.03 The term “Period of Employment” shall mean the period which begins when an Impending Change of Control occurs and which shall continue until the close of business on the 180th day subsequent to any Change of Control.

1.04 The term “Involuntary Termination” shall mean the following

(a) Any Discharge of Executive by Millipore or by any corporation succeeding to the business and assets of Millipore (a “Successor”) if effected during the Period of Employment or after the Period of Employment but within two years after any Change of Control;



(b) Any resignation by Executive if such resignation shall have been requested by Millipore or by a Successor if made within the period described in Clause (a);

(c) Any resignation by Executive if such resignation shall follow any reduction in the compensation, perquisites, fringe benefits, incentive programs and the like applicable to Executive as compared to those in effect at the beginning of the Period of Employment, or any material decrease in the responsibilities, scope, or authority associated with Executive's employment by Millipore, if the foregoing events shall not have been approved in advance by Executive and if the resignation shall be tendered within the period referred to in Clause (a), provided, however, that changes in fringe benefit programs and perquisites shall not be regarded as reductions if Millipore's Board of Directors determines in good faith that benefits and perquisites of equivalent value are substituted, and reductions in payout or other benefits in incentive programs shall not be regarded as reductions if Millipore's Board of Directors determines in good faith that the differences are attributable to changing base levels and changing performance criteria and goals;

(d) Any voluntary termination by Executive if, by notice given within the Period of Employment, the Executive elects to treat a Change of Control as an Involuntary Termination.



2. Employment; Period of Employment

2.01 If an Impending Change of Control should occur while Executive is employed by Millipore, Executive agrees to remain in the employ of Millipore for at least the Period of Employment in the position and with the duties and responsibilities he then currently carries, with such changes therein as may from time to time be made by the Millipore Board of Directors, and upon the other terms and conditions hereinafter stated.

2.02 Executive agrees that during the Period of Employment, and prior to any Change in Control, he will exercise his best efforts to bring about whatever result the Board of Directors determines to be in the best interests of Millipore and its stockholders relative to any Impending Change in Control, i.e., to help in the resistance to any such Change in Control if the Board determines that to be in the best interests of the Company and its stockholders, and to bring about such Change of Control if the Board determines that to be the preferable alternative. The Executive agrees to use his best efforts at and after the occurrence of a Change of Control to effect an orderly and beneficial transfer of control to the party or parties comprising the new control group.

2.03 Nothing in this Agreement shall be deemed to prevent the Executive from remaining in the employ of Millipore or any Successor beyond the Period of Employment either on the terms and conditions set forth herein or on others that may be mutually agreed upon.



3. Compensation and Benefit Plans

3.01 For all services rendered by the Executive in any capacity during the Period of Employment, including, without limitation, services as an executive officer, director or member of any committee of Millipore or of any subsidiary, division or affiliate thereof, the Executive shall be paid as base compensation the salary he is receiving at the beginning of the Period of Employment, payable not less often than monthly.

3.02 The executive shall continue to be a participant in Millipore's Management Incentive Plan, its Long Term Restricted Stock (Incentive) Plan, and its Stock Option Plan as in effect at the beginning of the Period of Employment, and any and all other incentive plans in which key employees of the Company participate that are in effect.

3.03 The Executive, his dependents and beneficiaries shall be entitled to all payments and benefits and service credit for benefits during the Period of Employment to which officers of Millipore, their dependents and beneficiaries are entitled as of the beginning of the Period of Employment under the terms of the then effective employee plans and practices of Millipore.

3.04 For the two year period commencing immediately after the Period of Employment, the Executive and his family shall be entitled to and receive all medical, dental and life insurance benefits to which they had been entitled as of the beginning of the Period of Employment.



4. Effect of Involuntary Termination of Employment on the Pension and Retirement Program

4.01 The term “Millipore’s Pension and Retirement Program” shall mean the Participation and the Retirement Plan of Millipore, its supplemental unfunded pension plan, if any, and any other supplemental, early retirement and similar plan or plans of Millipore and its subsidiaries providing for pension or retirement benefits that may be applicable to the Executive at the beginning of the Period of Employment.

4.02 In the event of Involuntary Termination of Executive, Executive shall be entitled to payment by Millipore which will supplement benefits under Millipore’s Pension and Retirement Program. The provisions of this Section 4 shall not affect in any way the tem of Millipore’s Pension and Retirement Program or the rights of Executive thereunder. Separate and apart from Millipore’s Pension and Retirement Program, however, Millipore agrees to pay to Executive, in the event of Involuntary Termination, the difference between the benefits payable to Executive under Millipore’s Pension and Retirement Program and the amounts that would be payable thereunder if Millipore’s Pension and Retirement Program were adjusted as follows:

(a) “Compensation” as defined in the Pension and Retirement Program shall be the highest Annual Compensation paid to the Executive within the three years prior to Involuntary Termination;



(b) the Executive shall be credited for the purpose of determining “years of service” (up the maximum of 30 years) with 2.5 times the actual number of years served, with a minimum of ten years of such credited service for purposes of determining both vesting and benefit amounts;

(c) The Executive shall be entitled to receive his actuarially determined benefit at any time he elects subsequent to Involuntary Termination without regard to his age at the time of such election.

5. Involuntary Termination Payment

5.01 In the event of Involuntary Termination of Executive’s employment, Millipore shall provide the Executive with a lump sum severance payment (the “Termination Payment”) in an amount equal to two years compensation at the highest annual rate of target total cash compensation to the Executive during the three years prior to Involuntary Termination.

5.02 To assure Executive’s receipt of the Termination Payment as against a possibly hostile successor control group, Millipore shall deliver to Executive an amount equal to the Termination Payment just prior to a Change in Control.

5.03 If an event constituting an Involuntary Termination occurs within the Period of Employment, then Executive may keep the Termination Payment. If no such event occurs within the Period of Employment, the Executive shall return the Termination Payment to the Company.



5.04 Executive's entitlement to receive the Termination Payment called for by this Section 5 shall be conditioned upon his having complied to the best of his abilities with the commitments contained in Sections 2.01 and 2.02. In the event of an Involuntary Termination described in Clauses (a), (b) or (c) of Section 1.04, he shall be deemed to have so complied if he shall have complied to the best of his abilities with the requirements of those sections until the time of his discharge or resignation pursuant to such clauses; in the event of an Involuntary Termination described in Clause (d) of Section 1.04, he shall be deemed to have complied only if his employment continues through the Period of Employment and if his compliance shall have continued throughout the Period of Employment.

6. Purchase by Millipore of Executive's Shares

6.01 Executive is hereby granted the right and option to sell to Millipore all shares of common stock of Millipore owned by him at the time of, or acquired by him within 90 days after, the closing of any transaction constituting a Change of Control. The purchase price to be paid by Millipore to Executive for such shares shall be the highest price paid within 90 days prior to the date of exercise by Executive of his right under this Section 6 by the party taking control. Executive's right to exercise this right and option shall be subject to his being in the employ of Millipore at the date of



commencement of the tender offer or exchange offer giving rise to the Change of Control.

6.02 The right and option granted to the Executive under this Section 6 shall begin at the date of closing of the event constituting a Change of Control and shall continue for a period of 90 days thereafter.

6.03 In the event of an Impending Change of Control Executive will become immediately entitled to exercise any and all stock options previously granted to him by Millipore and any and all restricted stock shall become free of any restrictions notwithstanding any provision to the contrary in the option agreement, the restricted stock agreement or any plans under which they were granted.

7. Confidential Information

7.01 The Executive agrees not to disclose, either while in Millipore's employ or at any time thereafter, to any person not employed by Millipore, or not engaged to render services to Millipore, any confidential information obtained by him while in the employ of Millipore, including without limitation, any of Millipore's inventions, processes, methods of distribution or customers or trade secrets, provided, however, that this provision shall not preclude the Executive from use or disclosure of information known generally to the public or for information not considered confidential by persons engaged in the business conducted by Millipore or from disclosure required by law or Court order.



7.02 The Executive also agrees that upon leaving Millipore's employ he will not take with him, without the prior written consent of an officer authorized to act in the matter by Millipore's Board of Directors any drawing, blueprint, specification or other document of Millipore, its subsidiaries, affiliates and divisions, which is of a confidential nature relating to Millipore, its subsidiaries, affiliates, and divisions, or without limitation, relating to its or their methods of distribution, or any description of any formulae or secret processes.

8. Limitation

8.01 Notwithstanding any other provision of this Agreement, and except as provided in Section 8.02 below, the payments or benefits to which Executive will be entitled under this Agreement will be reduced to the extent necessary so that Executive will not be liable for the federal excise tax levied on certain "excess parachute payments" under section 4999 of the Internal Revenue Code of 1986, as amended (the "Code").

8.02 The limitation of Section 8.01 will not apply if - (a) the difference between (i) the present value of all payments to which Executive is entitled under this Agreement determined without regard to Section 8.01 less (ii) the present value of all federal, state and other income and excise taxes for which Executive is liable as a result of such payment; exceeds



(b) the difference between (i) the present value of all payments to which executive is entitled under this Agreement calculated as if the limitation of Section 8.01 applies, less (ii) the present value of all federal, state, and other income and excise taxes for which executive is liable as a result of such reduced payments.

Present values will be determined using the interest rate specified in Section 280G of the Code and will be the present values as of the date on which an event of Impending Change of Control occurs.

8.03 (a) Whether payments to the Executive are to be reduced pursuant to Section 8.01, and the extent to which they are to be so reduced, will be determined by the Executive. Executive may, at the expense of Millipore, hire an accounting firm, law firm or employment consulting firm selected by Executive to assist him in such determination.

(b) If a reduction is made pursuant to Section 8.01, Executive will have the right to determine which payments and benefits will be reduced.

8.04 Notwithstanding anything to the contrary in this Agreement, and at the Executive's option, in lieu of the reduction contemplated by Section 8.01, the Executive may elect to receive an additional payment from Millipore of an amount that is equal to the product of (1) the excise tax payable by the Executive pursuant to Section 280G of the Code on payments made to him under this Agreement, excluding



employment by Executive elsewhere after his employment with Millipore is terminated.

10.02 There shall be no right of set-off or counterclaim in respect of any claim, debt or obligation against any payments to the Executive, his dependents, beneficiaries or estate, provided for in this Agreement.

11. General Provisions

11.01 Should the Executive's employment be terminated either on a voluntary or involuntary basis other than as provided for in this Agreement, then any and all termination payments and other provisions associated with any such severance of employment shall be determined in accordance with Millipore's policies and procedures then in effect and not in accordance with this Agreement. Except as specifically provided for herein, nothing shall be deemed to give the Executive the right to continue in the employ of Millipore.

11.02 Millipore and the Executive recognize that each party will have no adequate remedy at law for breach by the other of any of the agreements contained herein and, in the event of any such breach, Millipore (with respect to Sections 3, 4, 5 and 6) and the Executive (with respect to Section 7) hereby agree and consent that the other shall be entitled to a decree of specific performance, or other appropriate remedy to enforce performance of such agreements.



11.03 No right or interest to or in any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude him from designating one or more beneficiaries to receive any amount that may be payable after his death and shall not preclude the legal representative of his estate from assigning any right hereunder to the person or persons entitled thereto under his will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his estate.

11.04 No right, benefit or interest hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.

11.05 The titles to sections in this Agreement are intended solely for the convenience and no provision of this Agreement is to be construed by reference to the title of any section.

11.06 This Agreement shall be binding upon and shall inure to the benefit of the Executive, his heirs and legal representatives, and Millipore and its successors.

12. Amendment or Modification; Waiver



No provision of this Agreement may be amended, modified or waived unless such amendment, modification or waiver shall be authorized by the Board of Directors of Millipore or any authorized committee of the Board of Directors and shall be agreed to in writing, signed by the Executive and by an officer of Millipore thereunto duly authorized. Except as otherwise specifically provided in this Agreement, no waiver by either party hereto of any breach by the other party hereto of any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of a subsequent breach of such condition or provision or a waiver of a similar or dissimilar provision or condition at the same time or at any prior or subsequent time.

13. Governing Law

The validity, interpretation, construction performance and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts without giving effect to the principles of conflict of laws thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MILLIPORE CORPORATION

By _____

[Seal]
ATTEST:

Assistant Clerk

Executive



Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Francis J. Lunger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Millipore Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2003

/s/ FRANCIS J. LUNGER

Francis J. Lunger
President and Chief Executive Officer



Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Kathleen B. Allen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Millipore Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2003

/s/ KATHLEEN B. ALLEN

Kathleen B. Allen
Vice President and Chief Financial Officer



Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Millipore Corporation (the "Company") on Form 10-Q for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, Francis J. Lunger, Chief Executive Officer of the Company, and Kathleen B. Allen, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to his or her knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ FRANCIS J. LUNGER*

Francis J. Lunger
President and Chief Executive Officer

August 7, 2003

/s/ KATHLEEN B. ALLEN*

Kathleen B. Allen
Vice President and Chief Financial Officer

August 7, 2003

*-A signed original of this written statement required by Section 906 has been provided to Millipore Corporation and will be retained by Millipore Corporation and furnished to the Securities and Exchange Commission or its staff upon request.