
**UNITED STATES
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 July 2, 2005 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)

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

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

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 22, 2005, there were 51,560,123 shares of the registrant's Common Stock outstanding.

MILLIPORE CORPORATION

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In this Form 10-Q, unless the context otherwise requires, the terms “Millipore”, the “Company”, “we” or “us” shall mean Millipore Corporation and its subsidiaries.

PART I

Item 1. Financial Statements

MILLIPORE CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands) (Unaudited)

	<u>July 2, 2005</u>	<u>December 31, 2004</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 167,080	\$ 152,144
Accounts receivable, net	188,140	181,911
Inventories	135,174	143,714
Deferred income taxes	45,520	54,247
Other current assets	10,511	8,840
Total current assets	<u>546,425</u>	<u>540,856</u>
Property, plant and equipment, net	342,417	351,004
Deferred income taxes	96,521	85,197
Intangible assets, net	18,218	19,584
Goodwill	9,433	9,433
Other assets	6,661	7,745
Total assets	<u>\$1,019,675</u>	<u>\$1,013,819</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 62,443	\$ 66,970
Accrued expenses	94,030	88,407
Accrued income taxes payable	9,038	7,633
Total current liabilities	<u>165,511</u>	<u>163,010</u>
Deferred income taxes	1,774	7,495
Long-term debt	105,000	147,000
Other liabilities	58,090	57,464
Total liabilities	<u>330,375</u>	<u>374,969</u>
Commitments and contingencies (Note 9)	—	—
Shareholders' equity:		
Common stock, par value \$1.00 per share, 120,000 shares authorized; 50,641 shares issued and outstanding as of July 2, 2005; 49,816 shares issued and outstanding as of December 31, 2004	50,641	49,816
Additional paid-in capital	50,258	10,654
Retained earnings	585,811	529,534
Unearned compensation	(338)	(4)
Accumulated other comprehensive income	2,928	48,850
Total shareholders' equity	<u>689,300</u>	<u>638,850</u>
Total liabilities and shareholders' equity	<u>\$1,019,675</u>	<u>\$1,013,819</u>

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

MILLIPORE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Net sales	\$ 244,964	\$ 224,668	\$ 495,142	\$ 447,137
Cost of sales	116,125	103,241	230,228	204,151
Gross profit	128,839	121,427	264,914	242,986
Selling, general and administrative expenses	80,550	66,976	157,983	134,758
Research and development expenses	17,341	16,037	33,414	32,034
Operating income	30,948	38,414	73,517	76,194
Interest income	633	225	1,308	641
Interest expense	(1,755)	(2,101)	(3,589)	(4,979)
Income before income taxes	29,826	36,538	71,236	71,856
Provision for income taxes	5,849	8,044	14,959	16,167
Net income	\$ 23,977	\$ 28,494	\$ 56,277	\$ 55,689
Basic income per share	\$ 0.48	\$ 0.58	\$ 1.13	\$ 1.13
Diluted income per share	\$ 0.47	\$ 0.57	\$ 1.11	\$ 1.11
Weighted average shares outstanding:				
Basic	50,143	49,424	50,000	49,251
Diluted	50,707	50,305	50,525	50,092

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

MILLIPORE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six months ended	
	July 2, 2005	July 3, 2004
Cash flows from operating activities:		
Net income	\$ 56,277	\$ 55,689
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,020	21,114
Tax benefit from stock plan activities	2,329	4,886
Non-cash stock based compensation	5,509	909
Change in operating assets and liabilities:		
Increase in accounts receivable	(20,946)	(14,890)
Increase in inventories	(2,258)	(2,177)
Increase in other current assets	(2,185)	(3,794)
Decrease in other assets	535	300
Increase (decrease) in accounts payable	746	(3,941)
Increase (decrease) in accrued expenses	4,682	(3,357)
Increase (decrease) in accrued income taxes payable	6,456	(2,098)
Increase in other liabilities	2,374	951
Net cash provided by operating activities	<u>77,539</u>	<u>53,592</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(32,952)	(25,549)
Net cash used in investing activities	<u>(32,952)</u>	<u>(25,549)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock under stock plans	32,257	22,404
Repayment of debt	—	(75,000)
Net repayments of revolver borrowings	(42,000)	(26,000)
Net cash used in financing activities	<u>(9,743)</u>	<u>(78,596)</u>
Effect of foreign exchange rates on cash and cash equivalents	(19,908)	(2,357)
Net increase (decrease) in cash and cash equivalents	14,936	(52,910)
Cash and cash equivalents at beginning of period	152,144	147,027
Cash and cash equivalents at end of period	<u>\$ 167,080</u>	<u>\$ 94,117</u>

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 is a multinational life science company that provides innovative tools, technologies, and services to optimize the development and manufacturing of biopharmaceuticals and to improve laboratory productivity. We offer a broad range of high-performance products and services based on membrane, chromatographic and other enabling technologies.

Our interim fiscal quarters end on the thirteenth Saturday of each quarter. Since our fiscal year-end is December 31, the first and fourth fiscal quarters may not consist of precisely thirteen weeks. The second fiscal quarter of 2005 and 2004 ended on July 2, 2005 and July 3, 2004, respectively.

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, 2004.

Certain reclassifications have been made to prior year's financial statements to conform to the 2005 presentation.

In the opinion of our management, these financial statements reflect all adjustments necessary for a fair statement 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.

2. Stock-Based Compensation

We grant stock options and award restricted stock as part of our stock-based employee compensation plans. We also grant stock options from our non-employee director stock option plan. As permitted under Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," we apply the recognition and measurement provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations in accounting for these plans. No stock-based employee compensation expense has been recorded in connection with the issuance of employee and director stock options as all options granted under these plans were fixed awards and had an exercise price equal to the market value of our common stock at the date of grant. Stock-based employee compensation expense in relation to the separation agreements for the former Chief Executive Officer and several executive officers and the vesting of restricted stock, granted at no cost to certain employees, is reflected in net income.

SFAS No. 123, as amended by SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure, an Amendment of FASB Statement No. 123", requires the presentation of certain pro forma information as if we had accounted for our stock-based employee compensation under the fair value method. For purpose of this disclosure, the fair value of the fixed option grants was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions for option grants:

	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Risk-free interest rate	3.9%	3.0%	3.7%	3.0%
Volatility factor	35.0%	40.0%	35.0%	40.0%
Weighted average expected life (in years)	5	5	5	5
Dividend rate	0.0%	0.0%	0.0%	0.0%

The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, the model requires the use of highly subjective assumptions, including the expected stock price volatility and average expected life of the options. Although our employee stock options have characteristics significantly different from those of traded options, we believe that the Black-Scholes model provides a reasonable estimate for the fair value of these options.

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

2. Stock-Based Compensation (continued)

The table below illustrates the effect on net income and net income per share if we had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation.

	Three Months Ended		Six months ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Net income, as reported	\$ 23,977	\$ 28,494	\$ 56,277	\$ 55,689
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	1,818	622	3,581	782
Deduct: Stock-based employee compensation expense determined under fair value based method, net of related tax effects, pro forma	(3,190)	(5,471)	(7,096)	(10,143)
Pro forma net income	\$ 22,605	\$ 23,645	\$ 52,762	\$ 46,328
Net income per share:				
Basic, as reported	\$ 0.48	\$ 0.58	\$ 1.13	\$ 1.13
Basic, pro forma	\$ 0.45	\$ 0.48	\$ 1.06	\$ 0.94
Diluted, as reported	\$ 0.47	\$ 0.57	\$ 1.11	\$ 1.11
Diluted, pro forma	\$ 0.44	\$ 0.47	\$ 1.04	\$ 0.92

3. Inventories

Inventories at July 2, 2005 and December 31, 2004, stated at the lower of first-in, first-out (“FIFO”) cost or market, consisted of the following:

	July 2, 2005	December 31, 2004
Raw materials	\$ 24,860	\$ 29,880
Work in process	48,011	46,351
Finished goods	62,303	67,483
	\$135,174	\$ 143,714

4. Property, Plant and Equipment

Accumulated depreciation on property, plant and equipment was \$241,063 at July 2, 2005 and \$257,249 at December 31, 2004.

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

5. Intangible Assets

Net intangible assets consisted of the following at July 2, 2005 and December 31, 2004:

	<u>Gross Intangible Assets</u>	<u>Accumulated Amortization</u>	<u>Net Intangible Assets</u>	<u>Estimated Useful Life</u>
July 2, 2005				
Patented and unpatented technology	\$ 19,329	\$ (13,749)	\$ 5,580	5 – 20 years
Trade names	19,206	(8,138)	11,068	10 – 20 years
Licenses and other	5,137	(3,567)	1,570	5 – 10 years
Total	\$ 43,672	\$ (25,454)	\$ 18,218	
December 31, 2004				
Patented and unpatented technology	\$ 19,329	\$ (13,118)	\$ 6,211	5 – 20 years
Trade names	19,206	(7,568)	11,638	10 – 20 years
Licenses and other	4,995	(3,260)	1,735	5 – 10 years
Total	\$ 43,530	\$ (23,946)	\$ 19,584	

Amortization expense for the six months ended July 2, 2005 and July 3, 2004 was \$1,506 and \$1,647, respectively.

The estimated aggregate amortization expense for intangible assets owned as of July 2, 2005 for each of the five succeeding years is as follows:

Remainder of 2005	\$ 1,502
2006	2,730
2007	1,829
2008	1,604
2009	1,467
Thereafter	9,086
	\$18,218

6. Employee Retirement Plans

The following tables summarize the components of net periodic benefit cost for our various defined benefit employee pension and postretirement benefit plans in accordance with SFAS No. 132 (revised 2003), “Employers’ Disclosures about Pensions and Other Postretirement Benefits.”

	U.S. Pension Benefits			
	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Components of net periodic benefit cost:				
Service benefit	\$ (75)	\$ (106)	\$ (150)	\$ (212)
Interest cost	285	320	570	640
Expected return on plan assets	(271)	(283)	(542)	(566)
Amortization of prior service cost	2	2	4	4
Amortization of net loss	184	192	368	384
Net periodic benefit cost	\$ 125	\$ 125	\$ 250	\$ 250

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

6. Employee Retirement Plans (continued)

	Foreign Pension Benefits			
	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Components of net periodic benefit cost:				
Service cost	\$ 607	\$ 476	\$ 1,220	\$ 952
Interest cost	307	284	627	568
Expected return on plan assets	(226)	(192)	(463)	(384)
Amortization of net transition obligation	—	18	—	36
Amortization of net loss	32	38	66	76
Net periodic benefit cost	\$ 720	\$ 624	\$ 1,450	\$ 1,248

	Other Postretirement Benefits			
	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Components of net periodic benefit cost:				
Service cost	\$ 103	\$ 138	\$ 206	\$ 276
Interest cost	134	187	268	374
Amortization of net gain	(28)	—	(56)	—
Net periodic benefit cost	\$ 209	\$ 325	\$ 418	\$ 650

We expect to contribute \$1,513 to our U.S. pension plan, \$901 to our foreign pension plans, and \$582 to our other postretirement benefit plans for 2005. As of July 2, 2005, we have made \$506, \$592, and \$421 of contributions to the U.S. pension plan, the foreign pension plans and the other postretirement benefit plans, respectively.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the “Act”) introduced a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. In May 2004, the Financial Accounting Standards Board (the “FASB”) issued FASB Staff Position (“FSP”) No. 106-2, “*Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*”. As permitted under FSP No. 106-2, we elected to defer the accounting for the Act until the issuance of authoritative guidance on the determination of actuarial equivalence for purposes of receiving the federal subsidy. On January 21, 2005, the Center for Medicare and Medicaid Services released the final regulations implementing the Act. Based on these final regulations, we determined that most benefits provided by the plan are at least actuarially equivalent to Medicare Part D. The effect of the federal subsidy to which we are entitled has been accounted for as an actuarial gain of \$1,308. The subsidy will reduce postretirement benefit expense for 2005 by \$203. In addition to accounting for the federal subsidy as a result of Medicare Part D, the plan’s actuarial assumptions were changed to reflect an expected future reduction in our HMO plan cost as a result of the Act. This change in assumptions resulted in an actuarial gain of \$872 and a reduction in benefit expense for 2005 of \$100.

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

7. Basic and Diluted Net Income per Share

The following table presents share information used to calculate net income per share (“EPS”):

	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Weighted average common shares outstanding for basic EPS	50,143	49,424	50,000	49,251
Dilutive effect of stock options and restricted stock	564	881	525	841
Weighted average common shares outstanding for diluted EPS	50,707	50,305	50,525	50,092

For the three months ended July 2, 2005 and July 3, 2004, outstanding stock options of 2,932 and 1,751, respectively, with exercise prices in excess of the average fair market value of our common stock for the related period, were excluded from the calculation of diluted net income per share because their inclusion would have been antidilutive. For the six months ended July 2, 2005 and July 3, 2004, outstanding stock options of 4,008 and 2,690, respectively, with exercise prices in excess of the average fair value of our common stock for the related period, were excluded from the calculation of diluted net income per share because their inclusion would have been antidilutive. Antidilutive options could become dilutive in the future.

8. Comprehensive Income

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

	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Net unrealized (loss) gain on securities available for sale	\$ —	\$ (10)	\$ (203)	\$ 11
Change in additional minimum pension liability adjustments	56	—	79	—
Foreign currency translation adjustments	(27,483)	4,065	(45,798)	(5,662)
Other comprehensive (loss) income	(27,427)	4,055	(45,922)	(5,651)
Net income	23,977	28,494	56,277	55,689
Total comprehensive (loss) income	\$ (3,450)	\$ 32,549	\$ 10,355	\$ 50,038

9. Commitments and Contingencies

During the first quarter of 2004, an issue arose under our tax sharing agreement with our former subsidiary, Mykrolis Corporation (“Mykrolis”), relating to the inclusion of Mykrolis in our consolidated tax return for portions of 2001 and 2002. The tax sharing agreement provides that if Millipore receives a tax benefit (as defined in the agreement) due to the inclusion of Mykrolis in our consolidated tax return, Millipore is required to pay Mykrolis the amount of that benefit. During the first quarter of 2004, we made a payment to Mykrolis in the amount of \$1,255 pursuant to the tax sharing agreement. Mykrolis has questioned the methodologies underlying the calculation of the tax benefit. We believe that we have properly calculated and recorded amounts owed to Mykrolis.

10. Investments in Unconsolidated Companies

We have equity investments in two companies which are accounted for using the equity method. During the three and six months ended July 2, 2005, we recorded \$243 and \$716 of income and received \$274 and \$411 of dividends from these unconsolidated companies. During the three and six months ended July 3, 2004, we recorded \$23 and \$3 of loss and received \$132 and \$385 of dividends from these unconsolidated companies.

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

11. Officer Compensation Agreements

During the three and six months ended July 2, 2005, we recorded charges related to separation agreements with certain of our executive officers in the amounts of \$2,960 and \$6,219, respectively. In the three months ended July 2, 2005, we recorded \$1,278 for severance, bonus and other related benefits and \$1,682 related to stock options as a result of modification of certain options pursuant to these agreements. In the six months ended July 2, 2005, we recorded \$4,004 for severance, bonus and other related benefits and \$2,215 related to stock options.

On April 28, 2004, Francis J. Lunger announced that he would step down as CEO and President of Millipore. Mr. Lunger stepped down as CEO and President as of December 31, 2004, and as Director and Chairman of Millipore's Board of Directors as of March 1, 2005. In connection with Mr. Lunger's separation agreement, we recorded an aggregate of \$7,520 in compensation expense, including \$2,501 for severance, bonus and related benefits and \$5,019 related to stock options. In the six months ended July 2, 2005, we recorded \$519 for severance, bonus and related benefits, and \$3,242 for stock options.

On January 1, 2005, Dr. Martin D. Madaus joined Millipore as CEO and President, and as a director. Dr. Madaus became Chairman of Millipore's Board of Directors on March 1, 2005. In 2005, we reimbursed Dr. Madaus \$1,819 for certain compensation from his former employer forfeited by his acceptance of Millipore's employment offer. The compensation is a combination of \$1,433 cash and 8 shares of restricted stock with a fair market value of \$386. The fair value of the restricted stock was recorded as unearned compensation and will be amortized over the four year restriction period. We also paid \$94 for his relocation costs.

12. New Accounting Pronouncements

In November 2004, the FASB issued SFAS No. 151, "*Inventory Costs, an amendment of ARB No. 43, Chapter 4*". SFAS No. 151 amends the guidance in Accounting Research Bulletin No. 43, Chapter 4, "*Inventory Pricing*," to clarify the accounting for abnormal amounts of idle facility expense, freight and handling costs, and wasted material (spoilage). SFAS No. 151 requires that those items be recognized as current period charges. In addition, SFAS No. 151 requires that allocation of fixed production overheads to the conversion costs be based on the normal capacity of production facilities. SFAS No. 151 will be effective for us for the first quarter of 2006. We are in the process of evaluating the impact of SFAS No. 151 on our consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "*Share-Based Payment*" ("SFAS No. 123R"), which replaces SFAS No. 123, "*Accounting for Stock-Based Compensation*," and supersedes APB Opinion No. 25. SFAS No. 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. The pro forma footnote disclosure alternative is no longer allowable under SFAS No. 123R. On March 29, 2005, the Securities and Exchange Commission (the "SEC") issued Staff Accounting Bulletin No. 107 to express the SEC staff's views regarding the interaction between SFAS No. 123R and certain SEC rules and regulations and provide the staff's views regarding the valuation of share-based payment arrangements. SFAS No. 123R will be effective for us for the first quarter of 2006. We are in the process of assessing the impact of expensing stock options on our consolidated financial statements.

The American Jobs Creation Act of 2004 (the "AJCA") contains a number of provisions which will affect us in the future. One provision of the AJCA establishes a special deduction for "Qualified Domestic Production Activities" for U.S. manufacturers. The special deduction starts at 3% of "Qualified Production Income ("QPI")" as defined in the AJCA in 2005 and will be 9% of QPI when fully phased in after 2009. In December 2004, the FASB issued FSP No. 109-1, "*Application of FASB Statement No. 109, 'Accounting for Income Taxes,' to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004*". FSP No. 109-1 requires that qualified domestic production activities deductions should be accounted for as a special deduction in accordance with SFAS No. 109 and that the related impact of this deduction should be reported in the period in which the deduction is claimed on tax returns. We are currently projecting a tax loss on our 2005 U.S. tax return. Therefore, we do not currently believe there is a benefit to us from the qualified domestic production activities deduction.

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

12. New Accounting Pronouncements (continued)

A second provision of the AJCA provides a temporary incentive for a U.S. company to repatriate funds deemed to be permanently reinvested outside the U.S., at a reduced effective tax rate of approximately 5.25%. In December 2004, the FASB issued FSP No. 109-2, “*Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004*,” to address the appropriate point at which a company should reflect in its financial statements the effects of the one-time tax benefit on the repatriation of foreign earnings. The FASB provided companies with additional time beyond the financial reporting period to evaluate the effect of the AJCA on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS No. 109. While we have not made a decision to repatriate earnings under the AJCA, we are studying the AJCA and recent IRS guidance to determine whether it would be beneficial for us to make use of the temporary incentive in 2005. If we decide to repatriate under the provisions of the AJCA, a tax provision for the related taxes will be recorded in the fiscal quarter in which the repatriation plan is approved. We will make a final determination by the end of 2005. The amount of income tax we would incur, should we repatriate some level of earnings, cannot be reasonably estimated at this time.

In March 2005, the FASB issued Interpretation No. 47 (“FIN 47”), “*Accounting for Conditional Asset Retirement Obligations – an interpretation of FASB Statement No. 143*.” FIN 47 clarifies that the term “conditional asset retirement obligation” refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of an entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The fair value of a liability for the conditional asset retirement should be recognized when incurred – generally upon acquisition, construction, or development and/or through the normal operation of the asset. FIN 47 will be effective for us as of the end of 2005. Retrospective application of this standard to interim financial statements is not required. We are in the process of assessing the impact of FIN 47 on our consolidated financial statements.

13. Subsequent Events

On July 4, 2005, we completed the acquisition of MicroSafe, B.V., a European contract laboratory that develops assays and provides testing services to help biotechnology and pharmaceutical customers monitor quality and compliance in the drug manufacturing process. The total purchase price was approximately \$9 million. The acquisition was funded with our available cash.

On August 9, 2005, we completed the acquisition of approximately 90% of the outstanding shares of NovAseptic A.B. stock from its majority shareholders for \$86 million in cash, subject to certain post-closing adjustments. We are in the process of acquiring the remaining shares from the minority shareholders. NovAseptic A.B. is a company that provides innovative solutions for aseptic processing applications in biotechnology and pharmaceutical manufacturing operations. The total purchase price will be approximately \$95 million, subject to certain post-closing adjustments.

On July 21, 2005, we announced that our worldwide bioprocess systems hardware manufacturing operations will be consolidated in order to improve our competitive position by helping us streamline production and manage costs more effectively. As a result of this decision, we will cease systems production in our Billerica, Massachusetts facility and close our Stonehouse, England manufacturing plant in 2006. All custom systems manufacturing will be transferred to Molsheim, France and the manufacturing of standard systems products will be outsourced.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Basis of Presentation

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our Condensed Consolidated Financial Statements and related notes thereto and other financial information included elsewhere in this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2004. Throughout this discussion, references will be made to "constant currencies". Constant currency is a non-GAAP measure whereby foreign currency balances are translated, for all periods presented, at Millipore's predetermined budgeted exchange rates for 2005, thus excluding the impact of fluctuations in the actual foreign currency exchange rates. In addition to analyzing U.S. GAAP financial results, we also analyze our results in constant currencies as we believe these measures may allow for a better understanding of the underlying business trends. The U.S. dollar results represent the foreign currency balances translated at actual exchange rates. Our interim fiscal quarters end on the thirteenth Saturday of each quarter. Since our fiscal year-end is December 31, the first and fourth fiscal quarters may not consist of precisely thirteen weeks. The second fiscal quarter for 2005 and 2004 ended on July 2, 2005 and July 3, 2004, respectively.

During the second quarter of 2005, as part of our strategic reorganization, we announced the formation of two divisions, Bioprocess and Bioscience. The Bioprocess division offers our customers solutions to optimize development and manufacturing of biopharmaceuticals. The Bioscience division, which consisted of our former Laboratory Water and Life Science operating segments, provides products and application insights that improve laboratory productivity.

Executive Summary

During the three months ended July 2, 2005 (the "second quarter of 2005") as compared with the three months ended July 3, 2004 (the "second quarter of 2004"), our sales growth was 9%, comprised of a 6% growth in constant currencies and a 3% foreign currency impact. Sales of the Bioprocess division increased 11%, comprised of an 8% growth in constant currencies and a 3% foreign currency impact. Sales of the Bioscience division increased 6%, comprising of a 3% growth in constant currencies and a 3% foreign currency impact. Both divisions experienced strong growth in sales of consumables and services while the Bioprocess division experienced a decline in sales of systems hardware primarily due to our customers' timing for capacity expansion.

During the six months ended July 2, 2005 as compared with the six months ended July 3, 2004, our sales growth was 11%, comprised of an 8% growth in constant currencies and a 3% foreign currency impact. Sales of the Bioprocess division increased 14%, comprised of an 11% growth in constant currencies and a 3% foreign currency impact. Sales of the Bioscience division increased 7%, comprised of a 4% growth in constant currencies primarily due to our biotechnology customers and a 3% foreign currency impact. Geographically, the Americas have experienced the strongest constant currency growth at 10% in the first six months of 2005 as compared to the first six months of 2004, primarily due to strong sales to pharmaceutical customers. Both divisions experienced strong growth in sales of consumables and services while systems hardware sales growth was flat.

Operating income as a percent of sales for the three and six months ended July 2, 2005 declined as compared to the same periods in 2004. The decrease was due to expenses related to three discrete items: our manufacturing consolidation strategy, expenses in connection with executive compensation agreements and costs associated with the reorganization of our divisions.

Our strategic manufacturing plan, which began in the fourth quarter of 2004 with the closing of our Japan manufacturing plant, will result over five years in the consolidation of the majority of our manufacturing activities into three major plants in New Hampshire, Ireland and France and, to a lesser extent, the outsourcing of some of our manufacturing processes. As part of this five-year plan, we will cease bioprocess systems hardware production in our Billerica, Massachusetts facility in 2006, close our Bedford, Massachusetts device plant and our Stonehouse, England plant in 2006, and close our Puerto Rico plant in 2008. Approximately 350 employees will be affected. The total cost of this program over the five-year period is expected to be approximately \$55 million, of which approximately \$9 to \$11 million is expected in 2005 with the remainder to be incurred in 2006 through 2008. We project that annual savings from this program will be approximately \$40 million by 2009.

On July 4, 2005, we completed the acquisition of Microsafe, B.V. ("Microsafe"). MicroSafe develops assays and provides testing services to help biotechnology and pharmaceutical customers monitor quality and compliance in the drug manufacturing process. The acquisition of MicroSafe enhances growth in our process monitoring tools business and enables us to participate in the outsourcing trend in the biotechnology industry.

On August 9, 2005, we completed the acquisition of approximately 90% of the outstanding shares of NovAseptic A.B. ("NovAseptic") stock from its majority shareholders. We are in the process of acquiring the remaining shares from the minority shareholders. NovAseptic provides innovative solutions for aseptic processing applications in biotechnology and pharmaceutical manufacturing operations and is an excellent strategic fit for our Bioprocess division's process monitoring tools business as well as the systems and components businesses.

For the second half of 2005, we are expecting strong sales growth in the biotechnology market. In the second quarter of 2005, we received a large, one-time stocking order from one of our major biotechnology customers that we believe will add approximately \$10 to \$12 million revenue in the second half of 2005 and over \$20 million revenue in 2006 over and above the previously forecasted sales to this customer. Notwithstanding this order, it is possible that, at some time in the future, this customer may choose to draw down this inventory, in which case the incremental revenue to our forecast will not be realized or will be less than what is currently anticipated. As a result of the increase in forecasted revenue, combined with the impact of the two acquisitions discussed above, we now expect a constant currency revenue growth of between 9% and 11% for 2005 with foreign currency resulting in an additional 1% in U.S. dollar growth rate (based on current rates of exchange).

Critical Accounting Policies and Estimates

This discussion and analysis of our financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. 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 under Item 7, on page 13, in our Annual Report on Form 10-K for the year ended December 31, 2004. 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 pension and postretirement medical 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

Three Months Ended July 2, 2005 Compared to Three Months Ended July 3, 2004

Net Sales

The following discussion of net sales summarizes sales growth by division and by the geographies in which our products were sold.

Net Sales by Division

Net sales growth by division, for the second quarter of 2005 as compared with the second quarter of 2004, is summarized in the table below.

	U.S. Dollars (in thousands)		U.S. Dollar Growth	Constant Currency Growth
	2005	2004		
Bioprocess	\$147,953	\$133,387	11%	8%
Bioscience	97,011	91,281	6%	3%
Total net sales	\$244,964	\$224,668	9%	6%

In the Bioprocess division, constant currency sales increased 8% during the second quarter of 2005 as compared with the second quarter of 2004, consisting of a 10% growth in consumables sales, an 11% decline in hardware sales and a 53% increase in services. The increase in sales of consumables reflected strong increases in sales of process scale filtration devices and process monitoring tools, partially offset by a decline in sales of chromatography media. The strong sales growth in filtration consumables reflected the timing of our customers' manufacturing cycles and activities related to their qualification and validation of new production facilities. The decline in chromatography media sales was principally due to the timing of large shipments to customers in the second quarter of 2004. The decrease in hardware sales was the result of several large system sales in the second quarter of 2004. Hardware sales can fluctuate significantly as they are driven by our customers' timing for capacity expansion. Although services represent a small portion of Bioprocess division sales, our services revenue experienced strong growth as our installed base of hardware and validation support continued to grow and as a result of the strategic emphasis being placed on this segment of the business.

In the Bioscience division, constant currency sales grew 3% during the second quarter of 2005 as compared with the second quarter of 2004. Strong demand for consumable products used in laboratory water purification, drug discovery and other general filtration applications was partially offset by declining sales of products used in OEM devices and genomics applications by life science laboratories. In addition, services provided to customers for our water purification equipment grew 11% as the installed base of equipment continued to grow.

Net Sales by Geography

Net sales growth by geography, for the second quarter of 2005 as compared with the second quarter of 2004, is summarized in the table below.

	U.S. Dollars (in thousands)		U.S. Dollar Growth	Constant Currency Growth
	2005	2004		
Americas	\$103,452	\$ 97,000	7%	5%
Europe	98,488	87,334	13%	8%
Asia/Pacific	43,024	40,334	7%	4%
Total net sales	\$244,964	\$224,668	9%	6%

The Americas achieved constant currency sales growth of 5%, primarily driven by the Bioprocess division which experienced strong sales of consumable process scale filtration devices. In addition, U.S. sales of laboratory water purification and life science research consumables benefited as favorable economic conditions continued to stimulate growth in both privately and publicly funded laboratories. Further, our customers increased spending for drug discovery projects, thereby supporting demand for our consumable offerings. In Europe, sales grew 8% in constant currencies due to strong sales of consumable process scale devices and process monitoring tools, partially offset by lower sales of chromatography media and systems hardware. Both the media and systems hardware businesses were impacted by the timing of large customer orders. In the Asia/Pacific region, constant currency sales growth of 4% reflected strong shipments of process scale filtration devices as well as strong growth in consumables used in water purification. This was offset by a significant decrease in systems hardware sales as a result of the timing of large system sales in the second quarter of 2004.

During the second quarter of 2005, the U.S. dollar remained weaker on average as compared to the second quarter of the prior year. A weaker U.S. dollar positively impacts U.S. dollar sales growth because approximately 60% of our sales are outside the U.S. Since we have a higher percentage of our sales in Europe than in Asia, the impact of translating sales denominated in European currencies will have a greater impact on our U.S. dollar sales than the impact of translating sales denominated in Asian currencies. On average, the U.S. dollar weakened against the Euro by approximately 4% and against the Japanese Yen by approximately 2% during the second quarter of 2005 as compared with the second quarter of 2004.

Gross Profit Margins

Gross profit margin percentage was 52.6% in the second quarter of 2005 as compared with 54.0% in the second quarter of 2004. The decrease in our gross profit margin percentage for the second quarter of 2005 as compared with the second quarter of 2004 was primarily due to costs associated with our strategic manufacturing plan and an unfavorable shift in our mix of product sales, offset by favorable foreign exchange. During the second quarter of 2005, we recorded \$2.6 million of expenses related to our strategic manufacturing plan, including \$1.3 million of inventory write-offs related to our decision to outsource certain manufacturing processes, \$0.5 million for accelerated depreciation and \$0.8 million for severance costs.

Operating Expenses

Selling, general and administrative (“SG&A”) expenses increased \$13.6 million, or 20%, in the second quarter of 2005 as compared with the second quarter of 2004. Our results for the second quarter of 2005 included \$7.2 million of expenses related to officer and other employee terminations as compared to \$1.7 million for CEO transition costs recorded in the second quarter of 2004. In addition, higher SG&A expenses for the second quarter of 2005 included a \$4.3 million increase related to incentive compensation and salaries and a \$3.8 million increase in other costs, primarily for outside services, sales training and demolition costs for our Bedford campus. The officer and other employee severance costs included \$4.0 million costs associated with termination agreements for certain executive officers and \$3.2 million severance for other employees in connection with our decision in the first quarter of 2005 to combine our Laboratory Water and Life Science operating segments into one division. The demolition costs for our Bedford campus are for site preparation costs for our new R&D facility which will be completed in 2006.

Research and development (“R&D”) expenses increased \$1.3 million, or 8%, in the second quarter of 2005 as compared with the second quarter of 2004. The increase during the second quarter of 2005 was due to continued investment in the level of R&D programs aimed at introducing new products to our markets and \$0.5 million for employee severance in connection with our decision in the first quarter of 2005 to combine Laboratory Water and Life Sciences divisions. R&D expenses were 7.1% of sales for the second quarter of both 2005 and 2004.

Net Interest Expense

Net interest expense decreased \$0.8 million in the second quarter of 2005 as compared with the second quarter of 2004. The lower net interest expense was principally a result of lower average debt outstanding and higher average cash balance. During the second quarter of 2005, the weighted average interest rate on our revolving credit agreement was approximately 4.2%.

Provision for Income Taxes

Our effective tax rate for the second quarter of 2005 was 19.6% as compared with 22.0% during the second quarter of 2004. The effective annual tax rate for 2005 is now expected to be 21.0%, which is lower than the 22.0% effective annual tax rate projected in the first quarter of 2005. The decline in the estimated effective annual tax rate is due to a decrease in the expected profits from higher tax rate jurisdictions as a result of certain unusual charges as compared to the first quarter of 2005.

Six Months Ended July 2, 2005 Compared to Six Months Ended July 3, 2004

Net Sales

The following discussion of net sales summarizes sales growth by division and by the geographies in which our products were sold.

Net Sales by Division

Net sales growth by division, for the first six months of 2005 as compared with the first six months of 2004, is summarized in the table below.

	U.S. Dollars (in thousands)		U.S. Dollar Growth	Constant currency growth
	2005	2004		
Bioprocess	\$298,182	\$262,226	14%	11%
Bioscience	196,960	184,911	7%	4%
Total net sales	\$495,142	\$447,137	11%	8%

In the Bioprocess division, constant currency sales increased 11% during the first six months of 2005 as compared with the first six months of 2004, consisting of a 12% growth in consumables sales, a 1% decline in hardware sales and a 49% increase in services. The increase in sales of consumables reflected strong increases in sales of process scale filtration devices. The decline in hardware sales was primarily due to the timing of large systems sold to customers in 2004. Hardware sales can fluctuate significantly as they are driven by our customers’ timing for capacity expansion. Although services represent a small portion of Bioprocess division sales, our services revenue experienced strong growth as our installed base of hardware and validation support continued to grow and as a result of the strategic emphasis being placed on this segment of the business.

In the Bioscience division, constant currency sales grew 4% during the first six months of 2005 as compared with the first six months of 2004. Strong demand for consumable products used in laboratory water purification, drug discovery and other general filtration applications was partially offset by declining sales of products used in OEM devices and genomics applications by life science laboratories. In addition, services provided to customers for water purification equipment grew 10% as the installed base of equipment continued to grow.

Net Sales by Geography

Net sales growth by geography, for the first six months of 2005 as compared with the first six months of 2004, is summarized in the table below.

	U.S. Dollars (in thousands)		U.S. Dollar Growth	Constant Currency Growth
	2005	2004		
Americas	\$206,824	\$186,009	11%	10%
Europe	200,903	177,728	13%	7%
Asia/Pacific	87,415	83,400	5%	3%
Total net sales	\$495,142	\$447,137	11%	8%

The Americas achieved constant currency sales growth of 10%, primarily driven by the Bioprocess division which experienced strong sales of consumable process scale filtration devices. Further, customers increased spending for drug discovery projects, thereby supporting demand for our consumable offerings. In Europe, the 7% constant currency sales growth was primarily due to a 23% growth in sales of chromatography and filtration consumables. The growth in the Asia/Pacific region remained modest, despite shipment of a large filtration system.

During the first six months of 2005, the U.S. dollar remained weaker on average as compared to the first six months of the prior year. A weaker U.S. dollar positively impacts U.S. dollar sales growth because approximately 60% of our sales is outside the U.S. Since we have a higher percentage of our sales in Europe than in Asia, the impact of translating sales denominated in European currencies will have a greater impact on our U.S. dollar sales than the impact of translating sales denominated in Asian currencies. On average, the U.S. dollar weakened against the Euro by approximately 4% and against the Japanese Yen by approximately 1% during the first six months of 2005 as compared with the first six months of 2004.

Gross Profit Margins

Our gross profit margin percentage was 53.5% in the first six months of 2005 as compared with 54.3% in the first six months of 2004. The decrease in our gross profit margin percentage for the first six months of 2005 as compared with the first six months of 2004 was primarily due to costs associated with our strategic manufacturing plan and an unfavorable shift in our mix of product sales, offset by favorable foreign exchange. During the second quarter of 2005, we recorded \$2.6 million expenses related to our strategic manufacturing plan, including \$1.3 million of inventory write-offs related to our decision to outsource certain manufacturing processes, \$0.5 million for accelerated depreciation and \$0.8 million for severance costs.

Operating Expenses

Selling, general and administrative (“SG&A”) expenses increased \$23.2 million, or 17%, in the first six months of 2005 as compared with the first six months of 2004. Our results for the first six months of 2005 included \$15.2 million expenses related to officer compensation and other employee terminations as compared with \$1.7 million charge recorded for CEO transition costs in the first six months of 2004. In addition, higher SG&A expenses for the first six months of 2005 included a \$7.3 million increase related to incentive compensation and salary and a \$2.4 increase in other costs, primarily for outside services, sales training and demolition costs for our Bedford campus. The officer compensation and other employee severance costs included costs associated with CEO transition and termination agreements for certain executive officers and severance for other employees in connection with our decision in the first quarter of 2005 to combine our Laboratory Water and Life Science operating segments into one division. The demolition costs for our Bedford campus are for site preparation costs for our new R&D facility which will be completed in 2006.

Research and development (“R&D”) expenses increased \$1.4 million, or 4%, in the first six months of 2005 as compared with the first six months of 2004. As a percentage of sales, R&D expenses decreased from 7.2% to 6.7%. The increased spending during the first six months of 2005 was due to \$0.5 million employee severance in connection with our decision in the first quarter of 2005 to combine our Laboratory Water and Life Science divisions with the remainder due to our continued investment in the level of research and development programs aimed at introducing new products to our markets.

Net Interest Expense

Net interest expense decreased \$2.1 million in the first six months of 2005 as compared with the first six months of 2004. The lower net interest expense was principally a result of lower average debt outstanding and higher average cash balance. During the first six months of 2005, the weighted average interest rate on the revolving credit agreement was approximately 3.8%.

Provision for Income Taxes

Our effective tax rate on net income for the first six months of 2005 was 21.0% as compared with 22.5% for the first six months of 2004. The decline in the effective tax rate is due to a decrease in the expected profits from higher tax rate jurisdictions primarily as a result of certain unusual charges in the first six months of 2005 as compared to the first six months of 2004.

Market Risk

We are exposed to market risks, which include changes in foreign currency exchange rates and credit risk. We manage these market risks through our normal financing and operating activities and, when appropriate, through the use of derivative financial instruments.

Foreign Currency Exchange Rate Risk

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 approximately 60% 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 that hedge these exposures. Principal hedged currencies include 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 \$90.2 million at July 2, 2005. The fair value of these contracts was a loss of \$0.5 million at July 2, 2005. Additionally, we are able to partially mitigate the impact that fluctuations in currencies have on our net income as a result of our manufacturing facilities located in Europe, material sourcing and other spending which occur in countries outside the U.S. 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 weakens against other currencies in which we transact business, generally sales and net income will be positively but not proportionately impacted.

Credit Risk

We are exposed to concentrations of credit risk in cash and cash equivalents and trade receivables. Cash and cash equivalents are placed with major financial institutions with high quality credit ratings. The amount placed with any one institution is limited by policy. Trade receivables credit risk exposure is limited due to the large number of established customers and their dispersion across different geographies.

Capital Resources and Liquidity

Cash flow provided from operations was \$77.5 million in the first six months of 2005 as compared with \$53.6 million in the first six months of 2004. The increase in cash flow from operations in the first six months of 2005 compared with the first six months of 2004 was primarily the result of increased net income, higher non-cash stock based compensation expense included in net income, and increases in current and other liabilities partially offset by increases in accounts receivable.

During the first six months of 2005, we invested \$33.0 million in property, plant and equipment and we expect to spend an additional \$47.0 to \$57.0 million during the remainder of 2005. Our largest projects for 2005 include the start of construction of our new research and development center in Bedford, Massachusetts and the buildout of a new membrane production line in Cork, Ireland. As a result of our decision to close our manufacturing plant in Cidra, Puerto Rico, we have also decided to accelerate the buildout of our existing building shell in our Ireland facility in 2006 which had previously been postponed.

Cash flows used in financing activities during the first six months of 2005 were principally the result of our repaying \$42.0 million of our revolver borrowings offset by proceeds from exercises of employee stock options. We believe the increased cash from employees exercising stock options was largely related to the increase in our stock price. In general, as our stock price increases, we expect the volume of our employees' exercise of their vested stock options to increase.

We expect to continue using cash flows from operations to invest in capital projects, fund acquisitions and/or to reduce debt. We believe that our existing cash and cash equivalents, cash flows expected to be generated from future operating activities, our ready access to capital markets for competitively priced instruments and funds available under our revolving credit agreement will be sufficient to meet our cash requirements over the next twelve to twenty-four months. We are in compliance with all of our debt covenants.

Legal Proceedings

We currently are not a party to any material legal proceeding.

New Accounting Pronouncement

In November 2004, the FASB issued SFAS No. 151, *“Inventory Costs, an amendment of ARB No. 43, Chapter 4”*. SFAS No. 151 amends the guidance in ARB No. 43, Chapter 4, *“Inventory Pricing,”* to clarify the accounting for abnormal amounts of idle facility expense, freight and handling costs, and wasted material (spoilage). SFAS No. 151 requires that those items be recognized as current period charges. In addition, SFAS No. 151 requires that allocation of fixed production overheads to conversion costs be based on the normal capacity of production facilities. SFAS No. 151 will be effective for us for the first quarter of 2006. We are in the process of evaluating the impact of SFAS No. 151 on our consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), *“Share-Based Payment”* (“SFAS No. 123R”), which replaces SFAS No. 123, *“Accounting for Stock-Based Compensation,”* and supersedes APB Opinion No. 25. SFAS No. 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. The pro forma footnote disclosure alternative is no longer allowable under SFAS No. 123R. On March 29, 2005, the Securities and Exchange Commission (the “SEC”) issued Staff Accounting Bulletin No. 107 to express the SEC staff’s views regarding the interaction between FAS No. 123R and certain SEC rules and regulations and provide the staff’s views regarding the valuation of share-based payment arrangements. SFAS No. 123R will be effective for us for the first quarter of 2006. We are in the process of assessing the impact of expensing stock options on our consolidated financial statements.

The American Jobs Creation Act of 2004 (the “AJCA”) contains a number of provisions which will affect us in the future. One provision of the AJCA establishes a special deduction for “Qualified Domestic Production Activities” for U.S. manufacturers. The special deduction starts at 3% of “Qualified Production Income (“QPI”)” as defined in the AJCA in 2005 and will be 9% of QPI when fully phased in after 2009. In December 2004, the FASB issued FSP No. 109-1, *“Application of FASB Statement No. 109, ‘Accounting for Income Taxes,’ to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004”*. FSP No. 109-1 requires that qualified domestic production activities deductions should be accounted for as a special deduction in accordance with SFAS No. 109 and that the related impact of this deduction should be reported in the period in which the deduction is claimed on tax returns. We are currently projecting a tax loss on our 2005 U.S. tax return. Therefore, we do not currently believe there is a benefit to us from the qualified domestic production activities deduction.

A second provision of the AJCA provides a temporary incentive for a U.S. company to repatriate funds deemed to be permanently reinvested outside the U.S., at a reduced effective tax rate of approximately 5.25%. In December 2004, the FASB issued FSP No. 109-2, *“Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004,”* to address the appropriate point at which a company should reflect in its financial statements the effects of the one-time tax benefit on the repatriation of foreign earnings. The FASB provided companies with additional time beyond the financial reporting period to evaluate the effect of the AJCA on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS No. 109. While we have not made a decision to repatriate earnings under the AJCA, we are studying the AJCA and recent IRS guidance to determine whether it would be beneficial for us to make use of the temporary incentive in 2005. If we decide to repatriate under the provisions of the AJCA, a tax provision for the related taxes will be recorded in the fiscal quarter in which the repatriation plan is approved. We will make a final determination by the end of 2005. The amount of income tax we would incur, should we repatriate some level of earnings, cannot be reasonably estimated at this time.

In March 2005, the FASB issued Interpretation No. 47 (“FIN 47”), *“Accounting for Conditional Asset Retirement Obligations – an interpretation of FASB Statement No. 143.”* FIN 47 clarifies that the term “conditional asset retirement obligation” refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of an entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The fair value of a liability for the conditional asset retirement should be recognized when incurred – generally upon acquisition, construction, or development and/or through the normal operation of the asset. FIN 47 will be effective for us as of the end of 2005. Retrospective application of this standard to interim financial statements is not required. We are in the process of assessing the impact of FIN 47 on our consolidated financial statements.

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 the risk factors and uncertainties described in our Form 10-K for the year ended December 31, 2004.

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, our 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. There has been no change in our internal control over financial reporting during the quarter ended July 2, 2005 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

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 27, 2005. The following matters were voted on:

1. The election of three Class III Directors for a three-year term (expiring in 2008). The following votes were tabulated with respect to the election:

	Votes "For"	"Withhold"
Melvin D. Booth	42,006,261	3,405,041
Maureen A. Hendricks	35,296,817	10,114,431
Martin D. Madaus	41,962,966	3,448,281

2. A proposal to adopt amendments to the Millipore Corporation 1999 Stock Incentive Plan to increase the number of shares available for grant under such plan by 1,650,000 and to make certain other amendments thereto. The following votes were tabulated with respect to this proposal:

Votes "For"	Votes "Against"	"Abstain"
27,130,053	14,211,367	295,820

Item 6. Exhibits

a. Exhibits Filed or Furnished Herewith.

Exhibits Filed Herewith

- 10.1 Amended and Restated 1999 Stock Incentive Plan
- 31.1 Certification of Chief Executive Officer Pursuant to Rule 13(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of Chief Financial Officer Pursuant to Rule 13(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibits Furnished Herewith

- 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

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.

MILLIPORE CORPORATION

Signature	Title	Date
By: /s/ KATHLEEN B. ALLEN <hr/> Kathleen B. Allen	Vice President and Chief Financial Officer	August 9, 2005
By: /s/ DONALD B. MELSON <hr/> Donald B. Melson	Corporate Controller (Chief Accounting Officer)	August 9, 2005

Exhibit Index

Exhibit Number	Exhibit Title
10.1	Amended and Restated 1999 Stock Incentive Plan
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)), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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)), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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

MILLIPORE CORPORATION
1999 STOCK INCENTIVE PLAN
Amended and Restated April 27, 2005

1. PURPOSE; HISTORY

The purpose of this 1999 Stock Incentive Plan (as from time to time amended, the “Plan”) is to advance the interests of Millipore Corporation (the “Company”) and its subsidiaries by enhancing the ability of the Company to (i) attract and retain employees and other persons or entities who are in a position to make significant contributions to the success of the Company and its subsidiaries; (ii) reward such persons or entities for such contributions; and (iii) encourage such persons or entities to take into account the long-term interest of the Company through ownership of shares (“Shares”) of the Company’s common stock (“Stock”). The Plan as set forth herein was most recently amended and restated April 27, 2005.

The Plan is intended to accomplish these goals by enabling the Company to grant Stock-based and other incentive awards (“Awards”), including Stock options (“Options”), Stock appreciation rights (“SARs”), restricted Stock (“Restricted Stock”), and Stock units (“Stock Units”), all as more fully described below.

2. ADMINISTRATION

The Plan will be administered by the Management Development and Compensation Committee of the Board of Directors of the Company (the “Board”) or by such other committee of the Board as the Board may designate (the Management Development and Compensation Committee or such other committee being herein referred to as the “Committee”). The Committee will determine the recipients of Awards, the times at which Awards will be made and the size and type or types of Awards to be made to each recipient and will set forth in such Awards the terms, conditions and limitations applicable to it. Awards may be made singly, in combination or in tandem. The Committee will have full and exclusive discretionary power to interpret the Plan, to adopt rules, regulations and guidelines relating to the Plan, to grant waivers of Plan restrictions and to make all of the determinations necessary for its administration. In the case of any Award intended to be eligible for the performance-based compensation exception under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), the Committee will exercise its discretion consistent with qualifying the Award for that exception. All determinations and actions of the Committee made or taken under authority granted by any provision of the Plan, will be conclusive and binding on all parties. Nothing in this paragraph shall be construed as limiting the power of the Committee or the Board to make adjustments under Section 11 or to amend or terminate the Plan under Section 16.

3. EFFECTIVE DATE AND TERM OF PLAN

The Plan as originally adopted became effective on April 22, 1999, the date on which it was approved by the shareholders of the Company. The Plan will terminate on April 22, 2009, subject to earlier termination by the Board pursuant to Section 16. No Award may be granted under the Plan after the termination date of the Plan, but Awards previously granted may extend beyond that date.

4. SHARES SUBJECT TO THE PLAN

Subject to adjustment as provided in Section 11 below, the following Share maximums shall apply in administering the Plan:

- (i) The maximum aggregate number of Shares that may be delivered under the Plan shall be 11,202,458.(1)
- (ii) The maximum number of Shares for which Options or SARs may be granted to any Participant (as defined in Section 5 below) in any calendar year under the Plan shall be, in the case of each such type of Award, 1,000,000.
- (iii) The maximum number of Shares subject to other Awards granted in any calendar year to any Participant under the Plan shall be 1,000,000.
- (iv) Each Share issued upon the exercise or disposition of an Option or settled with respect to a cash-based SAR granted under the Plan or issued with respect to any other type of Award granted prior to April 26, 2005 shall reduce the number of Shares available for delivery under the Plan by one (1). Each Share issued under any Award not described in the immediately preceding sentence shall reduce the number of Shares available for delivery under the Plan by one and nine-tenths (1.9).

If any Award is canceled, expires or terminates without the issuance of all Shares subject thereto, or is exercised or otherwise settled other than by the delivery of Shares, the number of Shares subject to such Award that were not issued with respect to such Award will not be treated as issued hereunder for purposes of reducing the aggregate number of shares available (as determined under (i) and (iv) above) and will be available for future Awards. Shares of Restricted Stock forfeited to the Company prior to vesting in accordance with the Plan and the terms of the particular Award shall be available again for Awards under the Plan.

Stock delivered under the Plan may be either authorized but unissued Stock or previously issued Stock acquired by the Company and held in treasury. No fractional Shares of Stock will be delivered under the Plan and the Committee shall determine the manner in which fractional share value will be treated.

5. ELIGIBILITY AND PARTICIPATION

Those eligible to receive Awards under the Plan (“Participants”) will be key persons in the employ of the Company or any of its subsidiaries (“Employees”) and other persons or entities who, in the opinion of the Committee, are in a position to make a significant contribution to the success of the Company or its subsidiaries, except that non-Employee directors of the Company or a subsidiary of the Company are not eligible to participate in this Plan. A “subsidiary” for purposes of the Plan will be a corporation in which the Company owns, directly or indirectly, stock possessing 50% or more of the total combined voting power of all classes of stock.

6. DELEGATION OF AUTHORITY

The Committee may delegate to senior officers of the Company who are also directors of the Company (including, without limitation, the Chief Executive Officer and/or President) its duties under the Plan subject to such conditions and limitations as the Committee may prescribe, except that only the Committee may designate and make grants to Participants (i) who are subject to Section 16 of the Exchange Act or any successor statute, including, without limitation, decisions on timing, amount and pricing of Awards, or (ii) whose compensation is covered by Section 162(m) of the Code.

(1) This number includes 1,650,000 Shares, the addition of which to the aggregate total is subject to approval by the shareholders of the Company at the 2005 annual meeting of shareholders. This number takes into account the elimination of the ability to issue shares under the Plan that had been cancelled under prior stock option plans.

7. OPTIONS AND SARs

a. *Nature of Options.* An Option is an Award entitling the Participant to purchase a specified number of Shares at a specified exercise price. Both “incentive stock options,” as defined in Section 422 of the Code (referred to herein as an “ISO”) and non-incentive stock options may be granted under the Plan. ISOs may be awarded only to Employees.

b. *Nature of SARs.* A SAR is an Award that entitles a Participant to receive a payment (in stock or cash) equal to the Fair Market Value of the SAR at the exercise date minus the exercise price at the time of grant.

c. *Exercise Price.* The exercise price of each Option or SAR shall be determined by the Committee but shall not be less than 100% of the Fair Market Value of a Share at the time of grant; *provided*, that, in no case shall the exercise price of an Option or SAR be less, in the case of an original issue of authorized Stock, than the par value of a Share. For purposes of this Plan, “Fair Market Value” shall mean, except as provided below, the closing price of a Share of Stock as reported on the New York Stock Exchange on the day prior to the date of the grant (based on *The Wall Street Journal* report of composite transactions) or, if the New York Stock Exchange was closed on the day prior to the date of grant, the next preceding day on which it was open or, if the Shares are no longer listed on such Exchange, such term shall have the same meaning as it does in the provisions of the Code and the regulations thereunder applicable to ISOs (whether or not the Award in question is an ISO).

d. *Duration of Options and SARs.* In no case shall an Option or SAR be exercisable more than ten years from the date the Option or SAR was granted.

e. *Exercise of Options and Conditions.* Options or SARs will become exercisable at such time or times, and on and subject to such conditions (including performance conditions), as the Committee may specify. The Committee may at any time and from time to time accelerate the time at which all or any part of the Option or SAR may be exercised, regardless of whether such acceleration results in unanticipated tax consequences for the holder of the Award.

f. *Payment for and Delivery of Stock.* Full payment for Shares purchased will be made at the time of the exercise of the Option, in whole or in part. Payment of the purchase price will be made in cash or in such other form as the Committee may approve, including, without limitation, delivery of Shares.

8. RESTRICTED STOCK AND STOCK UNITS

Restricted Stock is an Award consisting of the delivery of Shares that are subject to the requirement that they be forfeited or offered for sale to the Company at a specified price (“forfeited”) if the restrictions or conditions specified with respect to the Award are not satisfied (“vesting conditions”). Restricted Stock may be awarded for no cash consideration, if permitted by applicable law, or for such other consideration as determined by the Committee.

A Stock Unit is an unfunded and unsecured promise, denominated in shares of Stock, to deliver Stock, or cash measured by the value of Stock, in the future. A Stock Unit as to which the right to receive Stock or cash in the future is subject to vesting conditions is referred to herein as a “Restricted Stock Unit.”

The vesting conditions or other conditions applicable to a Restricted Stock Award or a Stock Unit Award (including a Restricted Stock Unit Award) shall be determined by the Committee in its discretion. The Committee may condition the grant or vesting of a Restricted Stock Award or a Stock Unit Award (including a Restricted Stock Unit Award) on the satisfaction of performance conditions (“Performance Criteria”), each such Award being herein referred to as a “Performance Award.” No Performance Award that is intended to qualify for the performance-based compensation exception under Section 162(m) of the Code shall be granted or shall vest, as the case may be, unless the applicable Performance Criteria (i) are pre-established by the Committee in writing no later than 90 days after the commencement of the period to which the performance condition relates (or at such earlier time as is required to qualify the Award as performance-based under Section 162(m) of the Code), and (ii) consist of an objectively determinable measure of performance relating to any or any combination of the following (measured absolutely or by reference to an index or indices and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographic basis or in combinations thereof): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, or amortization, whether or not on a continuing operations or an aggregate or per share basis;

return on equity, investment, capital or assets; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; shareholder return; sales of particular products or services; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. A Performance Criterion and any targets with respect thereto determined by the Committee need not be based upon an increase, a positive or improved result or avoidance of loss. To the extent consistent with the requirements for satisfying the performance-based compensation exception under Section 162(m) of the Code, the Committee may provide in the case of any Award intended to qualify for such exception that one or more of the Performance Criteria applicable to such Award will be adjusted in an objectively determinable manner to reflect events (for example, but without limitation, acquisitions or dispositions) occurring during the performance period that affect the applicable Performance Criterion or Criteria.

9. TRANSFERS AND TERMINATIONS

a. No Award (other than an Award in the form of an outright transfer of Stock) may be assigned, pledged or transferred other than by will or by the laws of descent and distribution, and during a Participant's lifetime an Option or SAR will be exercisable only by the Participant or, in the event of a Participant's incapacity, his or her guardian or legal representative. Notwithstanding the foregoing, with the approval of the Board of Directors (and upon such terms and conditions imposed by the Board) Participants may gift Options (other than ISOs) to immediate family members or family trusts.

b. Except as otherwise determined by the Committee, the following rules shall apply upon the termination of a Participant's employment or other service relationship with the Company and its subsidiaries:

(i) In the case of an employee Participant, the portion of any Option or SAR granted to the Participant under the Plan that was not exercisable at the time of termination shall, except as otherwise provided at (ii) below or in Section 15, immediately terminate and the balance of the Option or SAR, if any, shall remain exercisable for the shorter of (i) the 90-day period (or such longer period as provided in Section 15) following termination of employment, and (ii) the number of days for which the Option or SAR would have remained exercisable had the Participant's employment not terminated; *provided*, that if the Participant's employment is terminated for "cause" (as determined by the Committee), all portions of any Options or SARs then held by the Participant shall terminate immediately. Notwithstanding the foregoing, if the Committee so determines in connection with any Option or SAR, special post-termination exercise rules will apply if the Participant's employment terminates by reason of "Retirement" (as hereinafter defined). In any such case, each Option and SAR held by the Participant immediately prior to such retirement or other termination shall become exercisable, and to the extent exercisable shall remain exercisable, for the duration of the special post-termination period specified by the Committee (the "Special Exercise Period"), on the same basis as would have applied had the Participant remained an employee. The Special Exercise Period will begin on the date of termination of employment and end on the date, if any, specified by the Committee, but in no event later than the earlier of (A) the date the Option or SAR would have expired had the Participant actually remained an employee of the Company, or (B) the fifth anniversary of the date of termination of employment. For purposes of the foregoing, "Retirement" means any of (i) retirement at normal retirement age (as defined in the Company's Retirement Plan), or (ii) any earlier termination by the Participant with the consent of the Company.

A Special Exercise Period shall automatically apply, without Committee approval, in the case of the termination of employment after attainment of age 62 and completion of at least ten (10) years of Service (as defined in the Company's Retirement Plan), which Special Exercise Period shall end on the earlier of (A) the date the Option or SAR would have expired had the Participant actually remained an employee of the Company, or (B) the fifth anniversary of the date of termination of employment. Any question whether or when a Participant has retired or terminated his employment with the consent of the Company shall be determined by the Committee, and its determination shall be final. Notwithstanding any other provision contained in this Plan, the Company shall have the right, but shall not be required, to repurchase from any employee who terminates his employment without the consent and approval of the Company, within six months of the exercise of any Option or SAR, the shares of the Company's Stock so purchased or acquired by said employee at their original (or exercise) price, provided that such repurchase right may not be exercised by the Company in connection with or following the occurrence of a Change of Control.

(ii) In the case of an employee Participant, except as otherwise determined by the Committee, (A) each unvested Award (other than an Award of Options or SARs) held by the Participant immediately prior to termination of employment shall (I) in the case of Restricted Stock, be immediately forfeited, and (II) in the case of any Restricted Stock Unit, immediately terminate and expire, and (B) the Shares subject to each Stock Unit Award that is then vested shall be delivered at the same time as they would have been delivered had the Participants remained an employee; *provided*, that if the Participant's employment with the Company terminates after such the Participant has attained age 62 and completed ten (10) years of Service (as defined in the Company's Retirement Plan), any Restricted Stock Unit previously granted to him under the Plan shall become free of any and all restrictions. Notwithstanding the foregoing, if the Participant's employment is terminated for "cause" (as determined by the Committee), all Restricted Stock and all Stock Units shall immediately be forfeited, expire and terminate.

(iii) In the case of a non-employee Participant, the treatment of Awards held by the Participant upon termination of his or her service relationship with the Company and its subsidiaries shall be as set forth in the applicable Award documentation.

No Award nor any provision of the Plan shall confer upon any Participant any right to continue in the Company's employ or limit in any way the Company's right to terminate the Participant's employment or other service relationship at any time. In no event shall the loss of profit or potential profit in any award constitute an element of damages in the event of termination of the employment relationship of the participant, even if the termination is in violation of an obligation of the Company or any of its subsidiaries.

10. DEATH OF PARTICIPANT

Except as otherwise provided in Section 15 and except as the Committee may otherwise determine, should a Participant die while in the employ of the Company (or a subsidiary) or within a Special Exercise Period (if applicable), the following rules shall apply: (a) if death occurs during employment, each Option and SAR, to the extent exercisable immediately prior to death, shall be exercisable by the Participant's estate or by the person or persons designated in the Participant's last will and testament until the earlier of (i) the first anniversary of death (or such earlier date as the Committee may establish at the time of the grant) and (ii) the date on which the Option would have expired had the Participant remained in the employ of the Company, and the balance, if any, of such Options and SARs shall immediately expire, and (b) if death occurs during a Special Exercise Period, if applicable, each Option and SAR will remain exercisable during the remainder of such period to the extent it would have been exercisable had the employee lived.

11. ADJUSTMENTS

a. In the event of a stock dividend, stock split or combination of Shares, recapitalization or other change in the Company's capitalization, or other distribution to common shareholders other than normal cash dividends, after the effective date of the Plan, the Committee will make such adjustments as it determines are appropriate to the aggregate and other limits specified under Section 4 above.

b. In any event referred to in paragraph (a), the Committee will also make any appropriate adjustments to the number and kind of Shares of Stock or securities subject to Awards then outstanding or subsequently granted, any exercise prices relating to Awards and any other provision of Awards affected by such change. The Committee may also make such adjustments to take into account material changes in law or in accounting practices or principles, mergers, consolidations, acquisitions, dispositions or similar corporate transactions, or any other event, if it is determined by the Committee that adjustments are appropriate to avoid distortion in the operation of the Plan.

12. RIGHTS AS A SHAREHOLDER

Except as specifically provided by the Plan, the receipt of an Award will not give a Participant rights as a shareholder; the Participant will obtain such rights, subject to any limitations imposed by the Plan or the instrument evidencing the Award, upon actual receipt of Shares.

13. CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any Shares pursuant to the Plan or to remove any restrictions or legends from Shares previously delivered under the Plan until, (a) in the opinion of the Company's counsel, all applicable federal and state laws and regulations have been complied with, (b) if the outstanding Shares are at the time listed on any stock exchange, the Shares to be delivered have been listed or authorized to be listed on such exchange upon official notice of notice of issuance, and (c) 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 Shares has not been registered under the Securities Act of 1933, as amended, the Company may require, as a condition to exercise of the Award, such representations and agreements as counsel for the Company may consider appropriate to avoid violation of such Act and may require that the certificates evidencing such Shares bear an appropriate legend restricting transfer.

If an Award is exercised by the Participant's legal representative, the Company will be under no obligation to deliver Shares pursuant to such exercise until the Company is satisfied as to the authority of such representative.

14. TAX WITHHOLDING

The Company will have the right to deduct from any cash payment under the Plan taxes that are required to be withheld and further to condition the obligation to deliver or vest Shares under this Plan upon the Participant's paying the Company such amount as it may request to satisfy any liability for applicable withholding taxes. The Committee may in its discretion permit Participants to satisfy all or part of their withholding liability (but not in excess of the minimum withholding required by law) by delivery of Shares with a Fair Market Value equal to such liability or by having the Company withhold from Stock delivered upon exercise of an Award, Shares whose Fair Market Value is equal to such liability.

15. CHANGE OF CONTROL

a. For purposes of this Plan, "Change of Control" shall mean the occurrence of any one of the following events:

(1) any "person" (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board (the "Company Voting Securities"); *provided, however*, that the event described in this paragraph (1) shall not be deemed to be a Change of Control if such event results from any of the following: (i) the acquisition of Company Voting Securities by the Company or any of its subsidiaries, (ii) the acquisition of Company Voting Securities by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries, (iii) the acquisition of Company Voting Securities by any underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) the acquisition of Company Voting Securities pursuant to a Non-Qualifying Transaction (as defined in paragraph (3) below);

(2) individuals who, as of the date hereof, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the date hereof, whose election or nomination for election was approved (either by a specific vote or by approval of the proxy statement of the Company in which such individual is named as a nominee for director, without written objection to such nomination) by a vote of at least two-thirds of the directors who were, as of the date of such approval, Incumbent Directors, shall be an Incumbent Director; *provided, however*, that no individual initially appointed, elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be an Incumbent Director;

(3) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving (i) the Company or (ii) any of its wholly owned subsidiaries pursuant to which, in the case of this clause (ii), Company Voting Securities are issued or issuable (any event described in the immediately preceding clauses (i) or (ii), a "Reorganization") or (iii) the sale or other disposition of all or substantially all of the assets of the Company to an entity that is not an affiliate of the Company (a "Sale"), unless immediately following such Reorganization or Sale: (A) more than 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (x) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of the Company in such Sale (in either case, the "Surviving Entity"), or (y) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity"), is represented by Company Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Reorganization or Sale), (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Entity or the

Parent Entity) is or becomes the beneficial owner, directly or indirectly, of 30% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the outstanding voting securities of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and (C) at least a majority of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the approval by the Board of the execution of the initial agreement providing for such Reorganization or Sale, Incumbent Directors (any Reorganization or Sale which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a “Non-Qualifying Transaction”); or

(4) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, (a) if any person becomes the beneficial owner of 30% or more of the combined voting power of Company Voting Securities solely as a result of the acquisition of Company Voting Securities by the Company which reduces the number of Company Voting Securities outstanding, such increased amount shall be deemed not to result in a Change of Control; provided, however, that if such person subsequently becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change of Control of the Company shall then be deemed to occur, and (b) if the vesting, acceleration or delivery of cash or Share hereunder following a Change of Control (as defined above) would be required to comply with the limitations of Section 409(a)(2)(a)(v) of the Code and the guidance thereunder to avoid an additional tax under Section 409A of the Code, such vesting, acceleration or delivery of shares shall proceed only if such Change of Control constitutes a change in ownership or control of the Company, or a change in ownership of the Company’s assets, described in IRS Notice 2005-1 or any successor guidance.

b. Immediately prior to a Change of Control or at such earlier time as the Committee may determine to effectuate the purposes of the Plan, each outstanding Option and SAR shall become fully vested and immediately exercisable, each outstanding share of Restricted Stock and each outstanding Restricted Stock Unit shall immediately become free of all restrictions and conditions, and the Stock subject to each Stock Unit shall be immediately delivered to the holder thereof. In addition, with respect to Options and SARs the Committee may provide for any of the following actions (or such other actions it deems appropriate) in its sole discretion:

(i) each holder of an outstanding Option or SAR shall be given (A) written notice of the occurrence of the Change of Control at least 20 days prior to its proposed effective date (as specified in such notice) and (B) an opportunity during the period commencing with delivery of such notice and ending 10 days prior to such proposed effective date, to exercise the Option or SAR in full, provided that upon the occurrence of the Change of Control all Options and SARs, to the extent not so exercised, shall automatically terminate; or

(ii) each holder of an outstanding Option or SAR shall, upon the Change of Control, become entitled to receive a cash lump sum payment in an amount equal to the product of (A) the excess, if any, of (i) the amount of consideration per Share received by the holders of Stock in the Change of Control over (ii) the exercise price per Share under such Option or SAR multiplied by (B) the number of Shares subject to such Option or SAR, and such Option or SAR shall be canceled upon the Change of Control; or

(iii) either the Surviving Entity or the Parent Entity, as the case may be (the “New Grantor”) shall provide to each holder of an outstanding Option or SAR, upon the Change of Control, in exchange for the cancellation of such Option or SAR, a substitute or replacement option or stock appreciation right in respect of the common stock of such New Grantor (the “New Option”), with appropriate adjustments to the exercise price and number of shares of New Grantor common stock issuable upon the exercise of the New Option as deemed appropriate by the Committee (and which, in the case of ISOs, are necessary to ensure that the New Option also qualifies as an ISO). The New Option (i) shall be fully vested and immediately exercisable, (ii) shall, in the event the employment with the Company or the New Grantor (and its or their subsidiaries and affiliates) of the holder of such New Option is terminated during the two-year period immediately following the Change of Control, remain exercisable for the remainder of the originally scheduled term of the original Option or SAR and (iii) shall otherwise be subject to the same terms and conditions as were applicable to the original Option or SAR, except as may otherwise be agreed by the Committee prior to the Change of Control.

c. In the event of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company's assets, or (iii) a dissolution or liquidation of the Company, in each case other than any such transaction that constitutes a Change of Control, the Committee may, by vote of a majority of the members of the Committee who are Incumbent Directors, make such provision for outstanding Awards (including the termination of such Awards, the assumption of Awards, or the substitution of replacement awards) as it deems appropriate.

16. AMENDMENTS AND TERMINATION

The Committee will have the authority to make such amendments to any terms and conditions applicable to outstanding Awards as are consistent with this Plan provided that, except for adjustments under Section 11 hereof, no such action will modify such Award in a manner adverse to the Participant without the Participant's consent (or that of the Participant's permitted transferee in the case of an Award that has been transferred in accordance with the terms of this Plan and the applicable Award) except as such modification is provided for or contemplated in the terms of the Award. Notwithstanding the preceding sentence, the Committee will not reprice any stock option (whether by modification of the exercise price, replacement, or cancellation and regrant) without shareholder approval.

The Board may amend, suspend or terminate the Plan except that no such action may be taken, without shareholder approval, which would effectuate any change for which shareholder approval is required pursuant to Section 16 of the Exchange Act.

17. PRIOR PLANS

This Plan is intended to replace the Millipore Corporation 1995 Combined Stock Option Plan, as amended and the 1995 Long Term Restricted Stock (Incentive) Plan for Senior Management (collectively the "Prior Plans"), which Prior Plans were automatically terminated and replaced and superseded by this Plan on the date on which this Plan initially became effective, except that any option or restricted stock granted under the Prior Plans shall remain in effect pursuant to their terms.

18. MISCELLANEOUS

This Plan shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts without giving effect to the principles of conflict of laws thereof.

It is intended that Awards under the Plan shall either (a) qualify as compensatory arrangements that do not constitute "deferred compensation" subject to Section 409A of the Code, or (b) satisfy the requirements of Section 409A of the Code. The Plan and all Awards hereunder shall be construed accordingly. Without limiting the generality of the foregoing, (i) no amendment of the Plan or of any Award under the Plan made after October 3, 2004 shall, without the consent of the affected Participant, be effective to the extent it would cause any Award-related "deferred compensation" that would not otherwise be subject to Section 409A of the Code to be subject to Section 409A of the Code, and (ii) any provision of the Plan that could cause Award-related "deferred compensation" subject to Section 409A of the Code to fail to satisfy the provisions thereof may be amended by the Committee to the extent necessary to avoid such disqualification, without regard to the limitations of Section

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Martin D. Madaus, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) 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
 - (d) 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 9, 2005

/s/ MARTIN D. MADAUS

Martin D. Madaus
President and Chief Executive Officer

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) 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
 - (d) 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 9, 2005

/s/ KATHLEEN B. ALLEN

Kathleen B. Allen
Chief Financial Officer

**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 fiscal period ended July 2, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, Martin D. Madaus, 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/ MARTIN D. MADAUS *

Martin D. Madaus
President and Chief Executive Officer
August 9, 2005

/s/ KATHLEEN B. ALLEN *

Kathleen B. Allen
Vice President and Chief Financial Officer
August 9, 2005

* - 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.