



Cepheid Announces Fundamental Change Offer to Purchase and Right to Convert

November 7, 2016

Cepheid today notified holders (each, a “*Holder*,” and collectively, the “*Holder*s”) of its 1.25% Convertible Senior Notes due 2021 (the “*Notes*”) that in connection with the Merger (as defined below) each Holder of the Notes has the right (the “*Fundamental Change Repurchase Right*”), at its option, to require the Company to repurchase for cash all of such Holder’s Notes, or any portion thereof (that is \$1,000 principal amount or an integral multiple thereof), in accordance with the terms and conditions of (i) the Indenture, dated as of February 10, 2014 (the “*Original Indenture*”), as supplemented by the First Supplemental Indenture, dated as of November 4, 2016 (as further amended, supplemented or otherwise modified, together with the Original Indenture, the “*Indenture*”), by and between Cepheid and Wells Fargo Bank, National Association, as trustee (the “*Trustee*”), and (ii) the Notes, on December 7, 2016 (as the same may be extended, the “*Fundamental Change Repurchase Date*”) at a purchase price (the “*Fundamental Change Repurchase Price*”) to be paid by the Company for Notes validly tendered and not validly withdrawn that is equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest thereon to, but excluding, the Fundamental Change Repurchase Date. The Fundamental Change Repurchase Right will expire at 11:59 p.m., New York City time, on December 6, 2016, unless extended as described in the Fundamental Change Repurchase Notice, Notice of Right to Convert, Notice of Entry Into Supplemental Indenture and Offer to Repurchase that Holders received today (such time and date, as the same may be extended, the “*Expiration Date*”). Tenders of Notes may be validly withdrawn (in whole or in part) at any time prior to the Expiration Date.

The Fundamental Change Repurchase Right relates to the consummation of the merger on November 4, 2016 of Copper Merger Sub, Inc., a California corporation and a wholly owned subsidiary of Danaher Corporation, a Delaware corporation (“*Parent*”), with and into Cepheid, with Cepheid surviving the merger as a wholly owned subsidiary of Parent (such transaction, the “*Merger*”), and the conversion of each issued and outstanding share of common stock of Cepheid (other than certain shares as set forth in the Merger Agreement) into the right to receive \$53.00 per share (the “*Per Share Merger Consideration*”), pursuant to that certain Agreement and Plan of Merger, dated as of September 2, 2016 (the “*Merger Agreement*”). The Merger constitutes a Fundamental Change and a Make-Whole Fundamental Change under the Indenture.

The Conversion Rate for the Notes is 15.3616 shares of common stock, no par value per share, of Cepheid (the “*Common Stock*”), for each \$1,000 principal amount of the Notes. Holders electing to convert their Notes in connection with the Make-Whole Fundamental Change are entitled to Additional Shares of 4.358073 (rounded to the nearest sixth decimal place) shares of Common Stock as described in Section 14.03 of the Original Indenture. Accordingly, for conversion of Notes made in connection with the Make-Whole Fundamental Change, each \$1,000 principal amount of the Notes is convertible into \$1,045.14, which is equal to the Conversion Rate (15.3616) plus the Additional Shares (4.358073), multiplied by the Per Share Merger Consideration (\$53.00 per share). Conversion of Notes will be deemed to be “in connection with” the Make-Whole Fundamental Change only if the appropriate instruction form is delivered pursuant to The Depository Trust Company’s (“*DTC*”) book-entry conversion program to Wells Fargo Bank, National Association, as conversion agent (the “*Conversion Agent*”), from, and including, the effective date of the Merger up to, and including, the Business Day immediately prior to the Fundamental Change Repurchase Date. If the appropriate instruction form is not delivered pursuant to DTC’s book-entry conversion program to the Conversion Agent by the Business Day immediately prior to the Fundamental Change Repurchase Date, Holders will not be eligible to receive the Additional Shares upon conversion.

The right of Holders to convert their Notes is separate from the Fundamental Change Repurchase Right. The value that a Holder will receive if such Holder validly exercises the Fundamental Change Repurchase Right is substantially less than the funds such Holder will receive if such Holder converts its Notes in connection with the Make-Whole Fundamental Change. If a Holder delivers a Fundamental Change Repurchase Notice to Wells Fargo

Bank, National Association, as the Paying Agent, such Holder may not surrender such Notes for conversion unless such Holder validly withdraws such Fundamental Change Repurchase Notice.

In connection with the closing of the Merger, the Company and the Trustee entered into the First Supplemental Indenture to amend the Indenture to fix the Company's conversion obligation with respect to the Notes. At and after the effective time of the Merger, the Company's conversion obligation with respect to each \$1,000 in aggregate principal amount of Notes will be fixed at an amount in cash equal to the conversion rate of 15.3616 multiplied by the Per Share Merger Consideration. Accordingly, subject to and upon compliance with the provisions of the Original Indenture, for all conversions for which the relevant Conversion Date occurs from and after the effective time of the Merger, the consideration due upon conversion of each \$1,000 principal amount of Notes shall be solely cash in an amount equal to the Conversion Rate in effect on the Conversion Date (as may be increased by the Additional Shares pursuant to Section 14.03 of the Original Indenture, if applicable), multiplied by the Per Share Merger Consideration.

Holders may exercise their Fundamental Change Repurchase Right to have the Company repurchase their Notes and to receive payment of the Fundamental Change Repurchase Price by validly delivering their Notes through DTC's transmittal procedures, in each case, prior to 11:59 p.m., New York City time, on the Expiration Date.

Holders who wish to convert their Notes in connection with the Make-Whole Fundamental Change must deliver the appropriate instruction form pursuant to DTC's book-entry conversion program to the Conversion Agent through the transmittal procedures of DTC, from, and including, the effective date of the Merger up to, and including, the Business Day immediately prior to the Fundamental Change Repurchase Date, in order to receive the Additional Shares.

Additional information concerning the Fundamental Change Repurchase Right, the conversion right in connection with the Make-Whole Fundamental Change and the procedures to be taken in connection therewith can be found in the Fundamental Change Repurchase Notice, Notice of Right to Convert, Notice of Entry Into Supplemental Indenture and Offer to Purchase that was distributed to the Holders today.

Terms used herein but not otherwise defined herein have the definitions ascribed thereto in the Indenture.

The Trustee, Paying Agent and Conversion Agent is:

<u>Regular Mail or Air Courier:</u>	<u>Registered or Certified Mail:</u>
Wells Fargo Bank, N.A.	Wells Fargo Bank, N.A.
Corporate Trust Operations	Corporate Trust Operations
MAC N9300-070	MAC N9300-070
600 South Fourth Street, 7 th Fl.	PO Box 1517
Minneapolis, MN 55479	Minneapolis, MN 55480-1517

Or

By Facsimile Transmission:
(612) 667-6282
Telephone:
(800) 344-5128
Telephone (for conversion questions only):
(612) 667-8485