

BRUKER BIOSCIENCES CORP  
Form PREM14A  
May 15, 2006  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- x Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- o Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

**Bruker BioSciences Corporation**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- o No fee required.
- x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:  
common stock, par value \$.01 per share
  - (2) Aggregate number of securities to which transaction applies:  
18,757,500 shares of common stock of Bruker Optics Inc.
  - (3) Per unit price or other underlying value of transaction computed pursuant to  
Exchange Act Rule 0-11 (set forth the amount on which the filing fee is  
calculated and state how it was determined):  
\$25,322,625, calculated pursuant to Rule 0-11(c)(1)(i) and (a)(4) of the  
Securities Exchange Act of 1934, as amended, which represents the book value  
of the common stock of Bruker Optics Inc. which will be received by Bruker  
BioSciences Corporation in the transaction.
  - (4) Proposed maximum aggregate value of transaction:  
\$25,322,625, calculated pursuant to Rule 0-11(c)(1)(i) and (a)(4) of the  
Securities Exchange Act of 1934, as amended. The actual aggregate purchase  
price is \$135,000,000.
  - (5) Total fee paid:  
\$2,710
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for  
which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the  
Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:



**BRUKER BIOSCIENCES CORPORATION**

**40 Manning Road  
Billerica, MA 01821  
(978) 663-3660**

To the stockholders of Bruker BioSciences Corporation:

On behalf of the board of directors and management of Bruker BioSciences Corporation, I would like to invite you to attend our Annual Meeting of Stockholders to be held on Thursday, June 29, 2006 at 9:00 a.m., Local Time, at the offices of Nixon Peabody LLP, 100 Summer Street, Boston, Massachusetts.

At this important meeting you will be asked to consider and vote on, among other things, a proposal to approve the transactions contemplated by the stock purchase agreement, dated as of April 17, 2006, by and among Bruker BioSciences, Bruker Optics Inc. and the stockholders of Bruker Optics relating to the acquisition of Bruker Optics by Bruker BioSciences, including the issuance of shares of Bruker BioSciences common stock in connection with the acquisition.

Under the stock purchase agreement, we will acquire all of the stock of Bruker Optics in exchange for approximately \$75.5 million in cash and shares of our common stock with a value of approximately \$55.8 million. The actual number of shares that will be issued to Bruker Optics stockholders will be determined based on the average of closing prices per share of Bruker BioSciences common stock on the Nasdaq National Market for a period of 10 consecutive trading days ending three days before the closing date, which is referred to as the trailing average. If the closing date were on May [ ], 2006, we would have issued [ ] shares of our common stock to the Bruker Optics stockholders based on a trailing average of \$[ ] per share, which as of May [ ], 2006 represented approximately [ %] of our post-transaction outstanding voting securities. In addition, approximately \$3.7 million will be paid to Bruker Optics optionholders in consideration of the cancellation of their options. The five largest Bruker Optics stockholders, comprised of me, Frank H. Laukien, and members of my family, are also major stockholders of Bruker BioSciences. Accordingly, the board of directors of Bruker BioSciences appointed a special committee consisting of independent directors unaffiliated with the Laukien family for the purpose of considering the advisability of the acquisition, negotiating its terms on behalf of Bruker BioSciences and recommending to the board of directors of Bruker BioSciences whether the acquisition was in the best interests of the stockholders of Bruker BioSciences who are not affiliated with the Laukien family.

The closing of the transaction is contingent on stockholder approval of the transactions contemplated by the stock purchase agreement, including the issuance of shares of our common stock in connection with the acquisition. Although not required under Delaware law, the rules of the Nasdaq National Market require stockholder approval of the share issuance, which must, under our bylaws, be approved by the affirmative vote of the holders of a majority of the shares of Bruker BioSciences common stock present or represented by proxy at the Annual Meeting and entitled to vote. Under the terms of the stock purchase agreement, the Bruker Optics stockholders, who currently hold, in the aggregate, 57.79% of the outstanding shares of Bruker BioSciences common stock, have covenanted that they will vote the shares of our stock that they own in favor of the transactions contemplated by the stock purchase agreement. In addition, under the terms of the stock purchase agreement, the transactions contemplated by the stock purchase agreement must also be approved by the holders of shares of Bruker BioSciences common stock who are unaffiliated with the five Laukien family members and who represent at least a majority of the total votes cast by these unaffiliated holders at the Annual Meeting.

**After careful consideration, the board of directors and the special committee of the board of directors have unanimously approved the terms and conditions of the stock purchase agreement and recommend that you vote FOR the acquisition of Bruker Optics and the related issuance of shares of Bruker BioSciences common stock.**

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In addition to the proposal relating to the acquisition of Bruker Optics and the issuance of shares in connection with the acquisition of Bruker Optics, you will be asked to consider and vote upon the following proposals at the Annual Meeting:

- A proposal to amend the Bruker BioSciences certificate of incorporation to increase the number of shares of common stock authorized for issuance from 150,000,000 to 200,000,000, contingent on the approval of the issuance of shares and completion of the transactions contemplated by the stock purchase agreement.
- A proposal to amend the Bruker BioSciences amended and restated stock option plan to increase the number of shares of common stock for which options and restricted stock may be granted under the stock option plan from 6,320,000 to 8,000,000.
- A proposal to elect three Class III Directors to hold office until the 2009 Annual Meeting of Stockholders.
- A proposal to ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of Bruker BioSciences for fiscal year 2006.

The Notice of Annual Meeting of Stockholders and Proxy Statement, which further describe the formal business to be conducted at the meeting, and Proxy Card accompany this letter. The company's Annual Report to Stockholders is also enclosed for your information.

All stockholders are invited to attend the meeting. Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or by the internet, or by completing, dating and returning the enclosed Proxy Card. A postage-paid envelope is enclosed for that purpose. Your shares cannot be voted unless you vote by telephone or internet, date, sign and return the enclosed Proxy Card, or attend the meeting in person. Regardless of the number of shares you own, your careful consideration of, and vote on, the matters before the stockholders is important.

I look forward to your participation and thank you for your continued support.

Sincerely,  
**Frank H. Laukien, Ph.D.**  
Chairman, President and Chief Executive Officer

**Neither the Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved of the proposed issuance of shares of Bruker BioSciences common stock in connection with the acquisition or determined whether this proxy statement is truthful or complete. Any representation to the contrary is a criminal offense.**

**This proxy statement is dated May 26, 2006 and is first being mailed to Bruker BioSciences stockholders on or about May 26, 2006.**

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**REFERENCE TO ADDITIONAL INFORMATION**

This proxy statement incorporates by reference important business and financial information about Bruker BioSciences from documents that are not included in or delivered with this proxy statement. You may obtain documents that are incorporated by reference in this proxy statement without charge by requesting them in writing or by telephone from Bruker BioSciences at:

Bruker BioSciences Corporation  
40 Manning Park  
Billerica, Massachusetts 01821  
Telephone: 978-663-3660  
Attention: Investor Relations

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference in the documents or this proxy statement.

**In order to receive timely delivery of requested documents in advance of the Annual Meeting, you should make your request no later than June 7, 2006.**

**For a more detailed description of the information incorporated in this proxy statement by reference and how you may obtain it, see Where You Can Find More Information beginning on page 97.**

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**BRUKER BIOSCIENCES CORPORATION**  
**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

To Our Stockholders:

Notice is hereby given that the Annual Meeting of the Stockholders of Bruker BioSciences Corporation will be held on Thursday, June 29, 2006, at 9:00 a.m., Local Time, at the offices of Nixon Peabody LLP, 100 Summer Street, Boston, Massachusetts, for the following purposes:

1. To consider and vote upon a proposal to approve the transactions contemplated by the stock purchase agreement, dated as of April 17, 2006, by and among Bruker BioSciences, Bruker Optics Inc. and the stockholders of Bruker Optics relating to the acquisition of Bruker Optics by Bruker BioSciences and to approve the issuance of shares of Bruker BioSciences common stock in connection with the acquisition.
2. To consider and vote upon a proposal to amend the Bruker BioSciences certificate of incorporation to increase the number of shares of common stock authorized for issuance from 150,000,000 to 200,000,000, contingent on the approval of the issuance of shares and completion of the transactions contemplated by the stock purchase agreement.
3. To consider and vote upon a proposal to amend the Bruker BioSciences amended and restated stock option plan to increase the number of shares of common stock for which options and restricted stock may be granted under the stock option plan from 6,320,000 to 8,000,000.
4. To elect three Class III directors to hold office until the 2009 Annual Meeting of Stockholders.
5. To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of Bruker BioSciences Corporation for fiscal year 2006.
6. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Adoption of the second proposal above relating to the amendment to our certificate of incorporation is contingent on the adoption of the first proposal relating to the approval of the Bruker Optics acquisition and related issuance of shares of common stock in the acquisition. All of the items of business listed above are more fully described in the Proxy Statement accompanying this Notice.

The board of directors has fixed the close of business on May 8, 2006 as the record date for the determination of stockholders entitled to notice of and to vote at this Annual Meeting and at any adjournment or postponement thereof.

By order of the board of directors  
**Richard M. Stein**  
Corporate Secretary

Billerica, Massachusetts  
May 26, 2006

All stockholders are invited to attend the meeting. Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or by the internet, or by completing, dating and returning the enclosed Proxy Card. A postage-paid envelope is enclosed for that purpose. Your shares cannot be voted unless you vote by telephone or internet, date, sign and return the enclosed Proxy Card, or attend the meeting in person. Regardless of the number of shares you own, your careful consideration of, and vote on, the matters before the stockholders is important. Even if you have given your proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you will not be permitted to vote in person at the meeting unless you first obtain a proxy issued in your name from the record holder.



**BRUKER BIOSCIENCES CORPORATION  
PROXY STATEMENT**

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## SUMMARY TERM SHEET

*The following is a summary of the proposed transaction between Bruker BioSciences Corporation and Bruker Optics Inc. in which Bruker BioSciences proposes to acquire all of the capital stock of Bruker Optics. Bruker BioSciences is seeking stockholder approval of the acquisition and the issuance of Bruker BioSciences common stock to Bruker Optics stockholders.*

*This term sheet is a summary and does not contain all of the information that may be important to you. You should carefully read this entire document, including the appendices and the other documents to which this document refers you, for a more complete understanding of the matters relating to the transaction and the issuance of Bruker BioSciences common stock. See *Where You Can Find More Information* beginning on page 97.*

On April 17, 2006, Bruker BioSciences entered into a definitive stock purchase agreement to acquire all of the capital stock of Bruker Optics, which we refer to as the stock purchase agreement. In connection with the proposed acquisition of all of the capital stock of Bruker Optics:

- The total purchase price payable by Bruker BioSciences to the holders of all of the Bruker Optics stock and stock options is \$135 million, in the aggregate.
- \$131.3 million of the \$135 million purchase price, which will consist of a combination of cash and newly issued shares of Bruker BioSciences common stock, will be paid to the Bruker Optics stockholders pro rata based on their respective ownership of Bruker Optics stock.
- Bruker BioSciences expects to issue shares of its common stock with a value of approximately \$55.8 million to Bruker Optics stockholders as the stock portion of the purchase price. The actual number of shares that will be issued to Bruker Optics stockholders will be determined based on the average of closing prices per share of Bruker BioSciences common stock on the Nasdaq National Market for a period of 10 consecutive trading days ending three days before the closing date, which is referred to as the trailing average. If the closing date were on May [ ], 2006, we would have issued [ ] shares of our common stock to the Bruker Optics stockholders based on a trailing average of \$[ ] per share.
- Some Bruker Optics stockholders have elected to receive a greater portion of their consideration in cash and some have elected to receive a greater portion of their consideration in stock.
- All Bruker Optics stock options, whether vested or unvested, will be cancelled and the option holders will receive cash payments totaling approximately \$3.7 million, which is part of the total purchase price of \$135 million.
- The stock purchase agreement prohibits the sale of the Bruker BioSciences shares issued as part of the purchase price for a period of one (1) year after the closing date.
- The five principal stockholders of Bruker Optics, including our president and chief executive officer, Frank H. Laukien, currently hold, in the aggregate, 57.79% of the outstanding shares of Bruker BioSciences common stock, and, immediately following the transaction, will hold approximately [ %] of the outstanding shares of Bruker BioSciences common stock.
- These five principal stockholders will be subject to five (5) year non-competition and non-solicitation covenants which are described in the stock purchase agreement.
- \$13.5 million of the cash purchase price will be held in escrow following the closing of the transaction to satisfy any indemnification claims asserted by Bruker BioSciences within a designated time period.



- An additional \$1 million of the cash purchase price will be held in escrow following the closing of the transaction to satisfy any post-closing adjustments to the purchase consideration which may result if the working capital of Bruker Optics is less than \$9 million at closing.
- Dirk D. Laukien, the chief executive officer and president of Bruker Optics, will become a senior vice president of Bruker BioSciences following the acquisition and in connection with his new role, will also receive 500,000 shares of restricted stock. In addition, immediately prior to the closing of the acquisition, Bruker Optics may make a one time \$2.5 million bonus payment to Dirk D. Laukien.

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**QUESTIONS AND ANSWERS ABOUT THE ACQUISITION**

**Q:** Why is Bruker BioSciences proposing the acquisition?

**A:** We are proposing to acquire Bruker Optics because we believe that the Bruker Optics business complements the business of our two existing direct operating subsidiaries, Bruker Daltonics and Bruker AXS. We expect that acquiring Bruker Optics will increase our sales opportunities and increase our presence in various markets, providing Bruker BioSciences with an extra competitive edge as we become a more broadly based company.

**Q:** How much is Bruker BioSciences paying for Bruker Optics?

**A:** Bruker BioSciences has agreed to pay the stockholders and option holders of Bruker Optics \$135 million, in the aggregate, for all of the outstanding shares of Bruker Optics and cancellation of all stock options.

**Q:** How will Bruker BioSciences pay for the shares of Bruker Optics?

**A:** Bruker BioSciences will purchase the Bruker Optics stock using a combination of cash and newly issued shares of Bruker BioSciences common stock.

**Q:** What will happen to my shares of Bruker BioSciences common stock in the acquisition?

**A:** The shares of Bruker BioSciences common stock that you hold will not change in the acquisition.

**Q:** What am I voting on in connection with the acquisition and why?

**A:** You are voting to approve Bruker BioScience's acquisition of Bruker Optics as well as the issuance of the shares of our common stock which will be used a part of the consideration for the acquisition.

Our common stock is quoted on the NASDAQ National Stock Market. NASD Rule 4350(i)(1)(C)(i) requires stockholder approval of the issuance of common stock in connection with the acquisition because certain of our directors, who are also significant stockholders and one of whom is an officer, have greater than a 5% equity interest in Bruker Optics, and the shares of our common stock issued in connection with the acquisition will result in a greater than 5% increase in Bruker BioSciences outstanding common stock and voting power.

The board of directors of Bruker BioSciences appointed a special committee consisting of independent directors unaffiliated with the Laukien family for the purpose of considering the advisability of the acquisition, negotiating its terms on behalf of Bruker BioSciences and recommending to the board of directors of Bruker BioSciences whether the acquisition was in the best interests of the stockholders of Bruker BioSciences who are not affiliated with the Laukien family. The terms of the stock purchase agreement require that the transaction itself, rather than just the share issuance as required under NASD Rule 4350(i)(1)(C)(i), be approved by the holders of shares of Bruker BioSciences common stock who are unaffiliated with the five Laukien family members and who represent at least a majority of the total votes cast by these unaffiliated holders at the Annual Meeting.

**Q:** What stockholder approvals are needed in connection with the acquisition?

**A:** The affirmative vote of the holders of a majority of the outstanding shares of Bruker BioSciences common stock present or represented by proxy and entitled to vote at the Annual Meeting is required to approve the transactions contemplated by the stock purchase agreement, including the issuance of shares of Bruker BioSciences common stock to be used as part of the acquisition consideration. Each holder of common stock is entitled to one vote per share. As of the record



date, Bruker BioSciences directors and executive officers and their affiliates owned 58.44% of the outstanding shares. Five stockholders of Bruker BioSciences, including Frank H. Laukien, are also stockholders of Bruker Optics and are parties to the stock purchase agreement. These five stockholders have covenanted in the stock purchase agreement that they will vote in favor of the acquisition. The shares held by these five stockholders represent approximately 57.79% of the voting power of Bruker BioSciences capital stock entitled to vote at the stockholder meeting, and are sufficient, under our bylaws and NASD rules, to approve the transactions contemplated by the stock purchase agreement, including the share issuance.

The terms of the stock purchase agreement also provide that the transactions contemplated by the stock purchase agreement are subject to approval by holders of shares of Bruker BioSciences common stock who are unaffiliated with the five Laukien family members and who represent at least a majority of the total votes cast by these unaffiliated holders at the Annual Meeting.

**Q:** Will the shares of common stock to be issued as part of the consideration for the purchase of the shares of Bruker Optics be registered?

**A:** No, the shares of Bruker BioSciences common stock to be issued in connection with the acquisition will not be registered under the Securities Act of 1933 and thus will not be freely transferable under the Securities Act of 1933. Bruker Optics stockholders receiving shares of Bruker BioSciences common stock in the acquisition may sell these shares pursuant to any applicable exemption under the Securities Act except that, pursuant to the terms of the stock purchase agreement, they are prohibited from selling the shares for a period of one year after the closing date of the acquisition.

**Q:** What are the material U.S. federal income tax consequences of the acquisition?

**A:** The acquisition will not result in any material U.S. federal income tax consequences for Bruker BioSciences stockholders.

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

**A:** We are working to complete the acquisition as quickly as possible. We expect to complete the acquisition during the third quarter of 2006.

**Q:** Do I have any dissenters rights?

**A:** No. There are no rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon pursuant to this proxy statement.

#### **QUESTIONS AND ANSWERS ABOUT VOTING**

**Q:** What do I need to do now?

**A:** After carefully reading and considering the information contained in this proxy statement, please respond by completing, signing and dating your proxy card or voting instructions and returning it in the enclosed postage paid envelope, or by submitting your proxy or voting instructions by telephone or through the internet, as soon as possible so that your shares may be represented at the stockholder meeting.

**Q:** What if I don't vote?

**A:** If you fail to respond, it will have the same effect as a vote against the amendment to the certificate of incorporation, although it will have no effect on the other proposals.

If you respond and do not indicate how you want to vote, your proxy will be counted as a vote in favor of all of the proposals.





If you respond and abstain from voting, your proxy will have the same effect as a vote against all of the proposals, other than the election of directors.

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

**A:** Yes. You can change your vote at any time before your proxy is voted at the stockholder meeting. You can do this in one of three ways. You can revoke your proxy, submit a new proxy or, if you are a holder of record, you can attend the Annual Meeting and vote in person. If you choose to revoke your proxy or submit a new proxy, you must submit your notice of revocation or your new proxy to the secretary of Bruker BioSciences before the Annual Meeting. If your shares are held in an account at a brokerage firm or bank, you should contact your brokerage firm or bank to change your vote. Also, if you submit your proxy electronically through the internet or by telephone, you can change your vote by submitting a proxy at a later date, using the same procedures, in which case your later submitted proxy will be recorded and your earlier proxy revoked.

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

**A:** If you have any questions about the proposals or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, you should contact:

Bruker BioSciences Corporation  
Investor Relations  
40 Manning Park  
Billerica, Massachusetts 01821  
Telephone: 978-663-3660, ext. 1411  
e-mail: Michael.Willett@bdal.com

## ACQUISITION SUMMARY

This summary highlights selected information about the acquisition and the related issuance of shares and may not contain all of the information that is important to you. You should carefully read this entire proxy statement and the other documents we refer to, in their entirety, for a more complete understanding of the acquisition. In particular, you should read the documents attached to this proxy statement, including the stock purchase agreement, which is attached as Annex A. In addition, this proxy statement incorporates important business and financial information about Bruker BioSciences from other documents that may not be included in or delivered with this proxy statement. You may obtain the information incorporated by reference into this proxy statement without charge by following the instructions in the section entitled "Where You Can Find More Information" that begins on page 97 of this proxy statement.

## THE COMPANIES (See page 58 for Bruker Optics)

### **Bruker BioSciences Corporation**

40 Manning Park

Billerica, Massachusetts 01821

(978) 663-3660

<http://www.bruker-biosciences.com>

Bruker BioSciences Corporation was incorporated in Massachusetts as Bruker Federal Systems Corporation. In February 2000, we reincorporated in Delaware as Bruker Daltonics Inc. In July 2003, we merged with Bruker AXS Inc., and we were the surviving corporation in that merger. In connection with the merger, we changed our name to Bruker BioSciences Corporation and formed two operating subsidiaries, Bruker Daltonics and Bruker AXS, into which we transferred substantially all of their respective assets and liabilities, except cash. All references to "former Bruker AXS" refer to the public entity which merged with the company in July 2003.

### *Bruker Daltonics*

Bruker Daltonics is a leading developer and provider of innovative life science tools based on mass spectrometry. Bruker Daltonics' substantial investment in research and development allows the company to design, manufacture and market a broad array of products intended to meet the rapidly growing needs of a diverse customer base. Bruker Daltonics' customers include pharmaceutical companies, biotechnology companies, agricultural biotechnology companies, proteomics companies, molecular diagnostics companies, academic institutions and government agencies.

Mass spectrometers are sophisticated devices that measure the mass or weight of a molecule and provide highly accurate information about the structure of materials. Bruker Daltonics' mass spectrometry-based systems often combine advanced mass spectrometry instrumentation; automated sampling and sample preparation robots; reagent kits and other disposable products, called consumables, used in conducting tests, or assays, and powerful bioinformatics software. These systems offer integrated solutions for applications in multiple existing and emerging markets including genomics and proteomics, metabolic and biomarker profiling, drug discovery and development, molecular assays and diagnostics, molecular and systems biology and basic medical research.

Bruker Daltonics is also a worldwide leader in supplying mass spectrometry-based systems for substance detection and pathogen identification in security and defense applications.

### *Bruker AXS Inc.*

Bruker AXS is a leading worldwide developer and provider of advanced integrated X-ray systems which provide solutions for molecular and elemental analysis by X-ray diffraction and X-ray fluorescence.

Bruker AXS products, which have particular application in the drug discovery and materials science fields, provide customers with the ability to determine the structure of specific molecules, such as proteins, and to characterize and determine the composition of materials. Bruker AXS customers include biotechnology and pharmaceutical companies, semiconductor companies, raw material manufacturers, chemical companies, academic institutions and other businesses involved in materials analysis.

Bruker AXS X-ray systems are sophisticated devices that use extremely short wavelengths of energy to determine the characteristics of matter. Depending on the customer-specific application, these X-ray systems incorporate one of three core technology applications: single crystal X-ray diffraction, known as SCD or X-ray crystallography; polycrystalline X-ray diffraction, known as XRD or X-ray diffraction; and X-ray fluorescence, known as XRF. Using a modular platform approach, Bruker AXS often combines each of these three technology applications with sample preparation tools, automation, consumables and data analysis software. Bruker AXS systems offer integrated solutions for applications in multiple existing and emerging markets, including:

- drug formulation, quality control and process analysis;
- structural proteomics and structure-based drug discovery;
- advanced and basic materials research and analysis; and
- industrial quality control and process analysis.

**Bruker Optics Inc.**

19 Fortune Drive  
Billerica, Massachusetts 01821  
(978) 439-9899  
<http://www.brukeroptics.com>

Bruker Optics was incorporated in Massachusetts in May 1995, originally as Bruker Spectrospin, Inc., later changing its name to Bruker Optics, Inc. In July 2000, Bruker Optics, Inc. reincorporated in Delaware as Bruker Optics Inc. Bruker Optics is a privately held company.

Bruker Optics manufactures and distributes research, analytical and process analysis instruments based on infrared (IR), near-infrared (NIR), Raman and time-domain magnetic resonance (TD-NMR) spectroscopies. These products are utilized in industry, government and academia for a wide range of instruments and solutions for life science, pharmaceutical analysis, food and agricultural analysis in research and development, quality control and process analysis applications.

As with all spectroscopic techniques, vibrational spectroscopy can be used to identify a compound and to investigate the composition of a sample. Bruker Optics utilizes Fourier Transform (FT-IR, FT-NIR and FT-Raman) and the dispersive (Raman) measurement techniques on an extensive range of laboratory and process spectrometers. Infrared spectroscopy is a type of absorption spectroscopy that uses the infrared part of the electromagnetic spectrum. Raman spectroscopy relies on the Raman scattering of a monochromatic light that yields similar and complementary analytical information. Infrared and Raman spectroscopy are widely used in both research and industry as a simple, rapid, non-destructive and reliable technique from basic sample identification and quality control to advanced research. The Bruker Optics product line is complemented by a wide range of sampling accessories and techniques which include microanalysis, high-throughput screening and many others, to help users find the best suitable solution to analyze their samples effectively.

**STRUCTURE OF THE ACQUISITION AND OPERATIONS AFTER THE ACQUISITION (see page 36)**

Bruker BioSciences is purchasing all of the outstanding stock of Bruker Optics from the Bruker Optics stockholders in a private placement. Bruker BioSciences intends to operate Bruker Optics as a wholly-owned subsidiary alongside Bruker Daltonics and Bruker AXS.

**PURCHASE PRICE (see page 38)**

The total purchase price payable by Bruker BioSciences for the Bruker Optics stock and stock options in the transaction is \$135 million, in the aggregate, payable in cash and Bruker BioSciences stock. Approximately \$131.3 million of this consideration will be paid to the Bruker Optics stockholders pro rata in accordance with their respective ownership of the Bruker Optics stock. The remaining \$3.7 million of the consideration will be paid to Bruker Optics option holders in consideration for the cancellation of all Bruker Optics options. As described in more detail later in this proxy statement, some Bruker Optics stockholders have elected to receive a greater portion of their consideration in cash and some have elected to receive a greater portion of their consideration in stock.

**RECOMMENDATION OF THE BOARD OF DIRECTORS AND OPINION OF FINANCIAL ADVISORS (see pages 26 and 26)**

*Recommendation of Bruker BioSciences Board of Directors.* Upon recommendation of the independent special committee of the board of directors, and after careful consideration, the board of directors of Bruker BioSciences unanimously determined that the stock purchase agreement and the transactions contemplated by the stock purchase agreement, including the issuance of shares in connection with the acquisition of Bruker Optics, are advisable and voted to approve the stock purchase agreement and recommends that the stockholders vote FOR the acquisition and the issuance of shares of Bruker BioSciences common stock in connection with the acquisition.

*Opinion of Bruker BioSciences Financial Advisor.* Bear, Stearns & Co. Inc. has rendered a written opinion to the special committee of the board of directors of Bruker BioSciences that, as of April 17, 2006, and based upon and subject to the assumptions, qualifications and limitations set forth therein, the consideration to be issued in the acquisition was fair, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own Bruker Optics shares. The full text of the written opinion, dated April 17, 2006, is attached as Annex B. We encourage you to read the opinion carefully and in its entirety to understand the procedures followed, assumptions made, matters considered and limitations on the review undertaken by Bear Stearns in providing its opinion.

**THE STOCKHOLDER MEETING (see page 17)**

The Bruker BioSciences Annual Meeting will be held at the offices of Nixon Peabody LLP, 100 Summer Street, Boston, Massachusetts on June 29, 2006, starting at 9:00 a.m., local time.

**INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS IN THE ACQUISITION (see page 35)**

Some of the directors and executive officers of Bruker BioSciences may have interests in the acquisition that are different from, or are in addition to, the interests of Bruker BioSciences stockholders, including financial interests as stockholders of Bruker Optics. The five largest stockholders of Bruker Optics, including Frank H. Laukien and Bruker Optics president and CEO, Dirk D. Laukien, are also the five largest stockholders of Bruker BioSciences.

**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES (see page 36)**

The acquisition will not result in any material U.S. federal income tax consequences for Bruker BioSciences stockholders, excluding the holders of Bruker BioSciences shares who also own Bruker Optics shares.

**CONDITIONS TO THE COMPLETION OF THE ACQUISITION (see page 44)**

Under the terms of the stock purchase agreement, the completion of the acquisition is subject to:

- the approval of the transactions contemplated by the stock purchase agreement by the holders of shares of Bruker BioSciences common stock who are unaffiliated with Isolde Laukien, Jörg Laukien, Frank Laukien, Dirk Laukien and Marc Laukien and who represent at least a majority of the total votes cast by these unaffiliated holders at the Annual Meeting; and
- the approval of the transactions contemplated by the stock purchase agreement by the holders of Bruker BioSciences common stock who represent at least a majority of the total votes cast at the Annual Meeting.

The completion of the transactions contemplated by the stock purchase agreement is also subject to the satisfaction or waiver of other conditions, including, among others, the expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. See *The Stock Purchase Agreement Conditions to the Acquisition* on page 44.

**TERMINATION OF THE STOCK PURCHASE AGREEMENT (see page 46)**

The stock purchase agreement may be terminated at any time prior to closing by the mutual written consent of Bruker BioSciences and the sellers. In addition, either Bruker BioSciences or the sellers may terminate the stock purchase agreement at any time prior to closing if:

- any governmental entity shall have issued an order permanently restraining, enjoining, or otherwise prohibiting the completion of the acquisition and such order is final and nonappealable; or
- the closing has not occurred by August 31, 2006, unless a breach of the stock purchase agreement by the party seeking termination is the cause of or results in the failure of the acquisition to be completed.

Bruker BioSciences may terminate the stock purchase agreement at any time prior to closing if:

- the trailing average is less than \$3.11; or
- the sellers or Bruker Optics breach any of their respective covenants, representations and warranties, or other agreements contained in the stock purchase agreement and such breach would give rise to the failure of a condition to Bruker BioSciences' obligation to complete the acquisition and such breach is not curable or, if curable, is not cured or waived within 20 calendar days after written notice of such breach has been delivered to the breaching party.

The sellers may terminate the stock purchase agreement at any time prior to closing if Bruker BioSciences breaches any of its covenants, representations and warranties, or other agreements contained in the stock purchase agreement and such breach would give rise to the failure of a condition to the sellers' obligation to complete the acquisition and such breach is not curable or, if curable, is not cured or waived within 20 calendar days after written notice of such breach has been delivered to Bruker BioSciences.

**EXPENSES (see page 47)**

The stock purchase agreement provides generally that regardless of whether the acquisition is consummated, all fees and expenses incurred by the parties will be paid by the party incurring such fees and expenses. With respect to fees due in connection with filings made pursuant to the Hart-Scott-Rodino Act, Bruker BioSciences shall be responsible for all fees relating to its own filing and Bruker Optics shall be responsible for all fees relating to filings made by it or any of the sellers. In addition, Bruker BioSciences shall be responsible for the payment of all transfer, documentary, sales, use, registration and other such taxes incurred in connection with the transaction, including all applicable German and other real estate transfer or gains taxes and stock transfer taxes, which may exceed, in the aggregate, \$300,000.

**NO SOLICITATION PROVISIONS (see page 43)**

Bruker Optics has agreed to, and to cause its subsidiaries to, and the sellers have agreed to, and to cause Bruker Optics and its subsidiaries to, cause each of its officers, managers, employees, subsidiaries, affiliates, agents and other representatives to, as of the execution of the stock purchase agreement, cease any existing discussions or negotiations with respect to any inquiry or proposal regarding the sale, consolidation, merger or other similar transaction regarding Bruker Optics and not to initiate any such discussions or negotiations (other than with Bruker BioSciences) concerning any such inquiry or proposal. The sellers and Bruker Optics are obligated to immediately disclose to Bruker BioSciences any such third party inquiries or proposals, including the terms thereof.

**ACCOUNTING TREATMENT OF THE ACQUISITION (see page 36)**

The acquisition represents a business combination of companies under common control due to the majority ownership of both companies by the five Laukien family members as an affiliated stockholder group. As a result, the acquisition, as it relates to the shares owned by these affiliated stockholders, will be accounted for in a manner similar to a pooling-of-interest, or at historical carrying value. The acquisition of the shares of the non-affiliated stockholder will be accounted for using the purchase method of accounting, or at fair value, in a manner similar to acquisition of a minority interest.

**REGULATORY MATTERS (see page 36)**

Under U.S. antitrust laws, the companies may not complete the acquisition until Bruker BioSciences has notified the Antitrust Division of the Department of Justice and the Federal Trade Commission of the acquisition and filed the necessary report forms, and until a required waiting period has ended. Bruker BioSciences filed the required information and materials to notify the Department of Justice and the Federal Trade Commission of the acquisition on March 28, 2006. In addition, Bruker BioSciences must obtain any consents, authorizations, approvals, filings or exemptions in connection with compliance with the rules of the Nasdaq and make such filings and approvals as are required to be made or obtained under the securities or Blue Sky laws of various states in connection with the issuance of Bruker BioSciences common stock.

We cannot assure you that we will obtain all regulatory approvals to complete the acquisition or that the granting of these approvals will not involve the imposition of conditions on the completion of the acquisition or require changes to the terms of the acquisition. These conditions or changes could result in the conditions to the acquisition not being satisfied.

**COMPLETION AND EFFECTIVENESS OF THE ACQUISITION (see page 36)**

We will complete the acquisition when all of the conditions to completion of the acquisition are satisfied or waived in accordance with the stock purchase agreement. We expect to complete the acquisition during the third calendar quarter of 2006.

**BRUKER OPTICS SELECTED CONSOLIDATED FINANCIAL DATA**

The following selected consolidated financial information of Bruker Optics is provided to aid your analysis of the financial aspects of the acquisition. We derived this information from unaudited consolidated financial statements for the three months ended March 31, 2006 and 2005, and from audited consolidated financial statements for the years ended December 31, 2005, 2004, 2003, 2002 and 2001. This information is only a summary, and you should read it in conjunction with Bruker Optics' historical consolidated financial statements and the related notes and Management's Discussion and Analysis of Financial Conditions and Results of Operations contained in this proxy statement. See "WHERE YOU CAN FIND MORE INFORMATION" on page 97.

	Three Months Ended March 31, 2006		Year Ended December 31				
	2006	2005	2005	2004	2003	2002	2001
	(in thousands)						
<b>Condensed Consolidated Statement of Operations Data:</b>							
Total revenue	\$ 21,298	\$ 16,182	\$ 78,701	\$ 74,151	\$ 60,046	\$ 50,805	\$ 34,723
Cost of revenue	10,760	7,914	38,278	41,773	34,131	29,475	17,617
Gross profit	10,538	8,268	40,423	32,378	25,915	21,330	17,106
Operating expenses	7,752	6,661	28,388	24,666	21,868	17,658	14,452
Operating income	2,786	1,607	12,035	7,712	4,047	3,672	2,654
Net income	\$ 2,320	\$ 954	\$ 6,251	\$ 3,976	\$ 2,135	\$ 2,038	\$ 1,325

	As of March 31, 2006	As of December 31,				
	2006	2005	2004	2003	2002	2001
	(in thousands)					
<b>Condensed Consolidated Balance Sheet:</b>						
Cash and cash equivalents	\$ 15,209	\$ 9,473	\$ 8,874	\$ 5,370	\$ 6,461	\$ 4,339
working capital	15,893	13,334	10,840	10,661	8,586	5,890
Total assets	69,800	61,329	54,524	48,772	37,850	26,915
Total debt	5,845	5,209	7,868	10,060	9,258	5,062
Other long-term liabilities	369	290	332	3,604	2,142	51
Total stockholders' equity	\$ 25,288	\$ 22,513	\$ 19,022	\$ 13,465	\$ 9,426	\$ 6,113

**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

We are providing the following selected Unaudited Pro Forma Condensed Combined Financial Data to provide you with a better understanding of what the results of operations and financial position of Bruker BioSciences might have been had the acquisition been completed at an earlier date. The Unaudited Pro Forma Condensed Combined Statements of Operations data for the three months ended March 31, 2006 and 2005 and for the years ended December 31, 2005, 2004 and 2003 give effect to the acquisition as if it had been completed on January 1, 2003. The Unaudited Pro Forma Condensed Combined Balance Sheet data as of March 31, 2006 give effect to the acquisition as if it had been completed on that date.

We have prepared the selected Unaudited Pro Forma Condensed Combined Financial Data based on available information using assumptions that management believes are reasonable. The selected Unaudited Pro Forma Condensed Combined Financial Data are being provided for informational purposes only. They do not purport to represent Bruker BioSciences' actual financial position or results of operations had the acquisition occurred on the dates specified nor do they project Bruker BioSciences' results of operations or financial position for any future period or date.



The selected Unaudited Pro Forma Condensed Combined Statements of Operations data do not reflect any adjustments for nonrecurring items or anticipated operating synergies resulting from the acquisition. In addition, pro forma adjustments are based on certain assumptions and other information that is subject to change as additional information becomes available. Accordingly, the adjustments included in Bruker BioSciences financial statements published after the completion of the acquisition will vary from the adjustments included in the unaudited pro forma condensed combined financial data included in this proxy statement.

The selected Unaudited Pro Forma Condensed Combined Data does not include any adjustments for liabilities resulting from integration planning, as management of Bruker BioSciences and Bruker Optics are in the process of making these assessments, and estimates of these costs, if any, are not currently known. Bruker BioSciences may incur restructuring charges upon completion of the acquisition or in subsequent quarters for severance or relocation costs related to Bruker BioSciences employees, costs of vacating some facilities (leased or owned) or other costs associated with exiting activities of Bruker BioSciences.

The selected Unaudited Pro Forma Condensed Combined Financial Data should be read in conjunction with the Bruker BioSciences and Bruker Optics audited and unaudited historical financial statements and related notes as well as Management's Discussion and Analysis of Financial Condition and Results of Operations. See WHERE YOU CAN FIND MORE INFORMATION on page 97.

	Three Months Ended March 31,		Year Ended December 31,		2003
	2006	2005	2005	2004	
<b>Unaudited Pro Forma Condensed Combined Statement of Operations Data:</b>					
Total revenue	\$ 94,958	\$ 90,343	\$ 372,253	\$ 356,989	\$ 319,967
Cost of revenue	51,016	50,797	206,274	206,135	187,746
Gross profit	43,942	39,546	165,979	150,854	132,221
Operating expenses	38,003	35,670	144,234	144,937	138,576
Operating income (loss)	5,939	3,876	21,745	5,917	(6,355 )
Net income (loss)	\$ 3,335	\$ 283	\$ 5,635	\$ (7,967 )	\$ (19,559 )
Net income (loss) per share basic and diluted	\$ 0.03	\$ 0.00	\$ 0.06	\$ (0.08 )	\$ (0.21 )

	As of March 31, 2006 (in thousands)
<b>Unaudited Pro Forma Condensed Combined Balance Sheet:</b>	
Cash and cash equivalents	\$ 51,972
Working capital	106,675
Total assets	383,318
Total debt	56,683
Other long-term liabilities	22,117
Total stockholders' equity	\$ 157,190

**COMPARATIVE PER SHARE INFORMATION**

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The following table sets forth selected historical per share information of Bruker BioSciences and Bruker Optics and unaudited pro forma consolidated per share information as of the three months ended March 31, 2006 and 2005 and for the years ended December 31, 2005, 2004 and 2003, giving effect to the transactions described in the stock purchase agreement as if they had occurred on January 1, 2003.

The historical book value per share is computed by dividing stockholders' equity by the actual common stock outstanding. The pro forma per share net income (loss) from continuing operations is computed by dividing the pro forma net income (loss) from continuing operations by the pro forma weighted average number of shares outstanding, assuming Bruker BioSciences had acquired Bruker Optics at the beginning of the earliest period presented. The pro forma combined book value per share is computed by dividing total pro forma stockholders' equity by the pro forma number of common shares outstanding, assuming the acquisition had occurred on that date.

The following information should be read in conjunction with the separate audited historical consolidated financial statements and related notes of Bruker BioSciences and Bruker Optics, the unaudited pro forma condensed combined financial information and related notes of Bruker BioSciences and the selected historical and selected unaudited pro forma financial data, either included or incorporated by reference into this proxy statement. See "Where You Can Find More Information" beginning on page 97 and "Bruker Optics Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 60. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the acquisition of Bruker Optics had been consummated as of the beginning of the earliest period presented, nor is it necessarily indicative of the future operating results or financial position of the combined company.

	Three Months Ended March 31,		Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
<b>HISTORICAL BRUKER BIOSCIENCES</b>							
Basic and Diluted Net income (loss) from continuing operations per share	\$ 0.01	\$ 0.00	\$ 0.04	\$ (0.09 )	\$ (0.22 )	\$ (0.09 )	\$ (0.05 )
Book value per share at the end of the period	\$ 2.35	\$ 2.37	\$ 2.31	\$ 2.43	\$ 2.34	\$ 2.41	\$ 2.32

	Three Months Ended March 31,		Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
<b>HISTORICAL BRUKER OPTICS</b>							
Book value per share at the end of the period	\$ 1.35	\$ 1.01	\$ 1.20	\$ 1.02	\$ 0.72	\$ 0.50	\$ 0.33

	Three Months Ended March 31,		Years Ended December 31,				
	2006	2005	2005	2004	2003		
<b>UNAUDITED BRUKER BIOSCIENCES PRO FORMA COMBINED</b>							
Pro forma net income (loss) from continuing operations per share - basic and diluted			\$ 0.03	\$ 0.00	\$ 0.06	\$ (0.08 )	\$ (0.21 )
Pro forma book value per share at the end of the period			\$ 1.55				

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

Bruker BioSciences common stock has been traded on the Nasdaq National Market since August 4, 2000. There was no public market for Bruker BioSciences common stock prior to that date. Bruker Optics common stock is not, and has never been, traded publicly. The following table sets forth, for the periods indicated, the high and low per share prices for Bruker BioSciences common stock as reported on the Nasdaq National Market. The prices reflect inter-dealer prices and do not include retail markups, markdowns or commissions.

	<b>Bruker BioSciences Common Stock Price</b>					
	<b>For the Fiscal Year Ended December 31, 2006</b>		<b>For the Fiscal Year Ended December 31, 2005</b>		<b>For the Fiscal Year Ended December 31, 2004</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
First Quarter	\$ 5.45	\$ 4.24	\$ 4.14	\$ 3.16	\$ 6.76	\$4.35
Second Quarter			\$ 4.49	\$ 3.07	\$ 5.47	\$ 4.44
Third Quarter			\$ 4.69	\$ 3.86	\$ 4.94	\$ 3.15
Fourth Quarter			\$ 5.60	\$ 3.97	\$ 5.27	\$ 3.01

**Recent Share Price**

On April 17, 2006, the last trading day before the acquisition was announced, the closing price of Bruker BioSciences common stock as reported on the Nasdaq National Market was \$4.97 per share. The closing sale price of Bruker BioSciences common stock as reported on the Nasdaq National Market on May 12, 2006 was \$5.20 per share. As of that date there were 94 holders of record of Bruker BioSciences common stock based on information provided by our transfer agent. The number of stockholders of record does not reflect the actual number of individual or institutional stockholders that own Bruker BioSciences common stock because most stock is held in the name of nominees. There are a substantially greater number of beneficial owners of Bruker BioSciences common stock.

The information above shows only historical prices. No assurances can be given as to the market prices of Bruker BioSciences common stock at any other time before or after the consummation of the acquisition.

**Dividend Information**

Neither Bruker BioSciences nor Bruker Optics has ever declared or paid cash dividends on its common stock. If the acquisition is not consummated, Bruker Optics anticipates that it would continue its policy of retaining any and all earnings to finance the operation and expansion of its business. Bruker BioSciences currently anticipates that it will retain all available funds for use in its business and does not anticipate paying any cash dividends in the foreseeable future, whether or not the acquisition is consummated.

## RISK FACTORS

In addition to the other information included or incorporated by reference in this proxy statement, including the Risk Factors contained in Bruker BioSciences' Annual Report on Form 10-K and Quarterly Report on Form 10-Q, you should carefully consider the matters described below relating to the proposed acquisition of Bruker Optics in deciding whether or not to vote for the proposals presented in this proxy statement. Additional risks and uncertainties not presently known to Bruker BioSciences or that are not currently believed to be material, if they occur, also may adversely affect the proposed acquisition of Bruker Optics and/or the combined company post-acquisition.

***Although Bruker BioSciences expects that the acquisition of Bruker Optics will result in benefits to Bruker BioSciences, the combined company may not realize those benefits because of integration difficulties and other challenges.***

The success of the acquisition of Bruker Optics will depend, in part, on the ability of Bruker BioSciences to realize the potential synergies, cost savings and growth opportunities from integrating the business of Bruker Optics with the business of Bruker BioSciences. Bruker BioSciences' success in realizing these benefits and the timing of this realization depends upon the successful integration of the operations of Bruker Optics. The difficulties of combining the operations of Bruker Optics with those of Bruker BioSciences' operating subsidiaries, Bruker AXS and Bruker Daltonics, include, among others:

- consolidating research and development operations while preserving the research and development activities and important relationships of Bruker Optics, Bruker AXS and Bruker Daltonics;
- retaining key employees;
- consolidating corporate and administrative infrastructures;
- integrating and managing the technology of the companies; and
- minimizing the diversion of management's attention from ongoing business concerns.

Bruker BioSciences cannot assure you that the integration of Bruker Optics will result in the realization of the full benefits which the company anticipates will result from the acquisition.

***The market price of Bruker BioSciences common stock may decline as a result of the acquisition of Bruker Optics.***

The market price of Bruker BioSciences' common stock may decline as a result of the acquisition of Bruker Optics if:

- Bruker BioSciences does not achieve the perceived benefits of the acquisition as rapidly as, or to the extent anticipated by, financial or industry analysts; or
- The effect of the acquisition on Bruker BioSciences' financial results is not consistent with the expectations of financial or industry analysts.

Accordingly, investors may experience a loss as a result of a decreasing stock price and Bruker BioSciences may not be able to raise future capital, if necessary, in the equity markets.

***Some directors and executive officers of Bruker BioSciences have interests in the acquisition of Bruker Optics that may differ from or are in addition to the interests of Bruker BioSciences stockholders, including, if the acquisition is completed, the receipt of financial and other benefits.***

Our chief executive officer and chairman of the board, Frank H. Laukien, and certain of his family members own stock in both Bruker BioSciences and Bruker Optics. Dr. Laukien and his related family members own 98.63% of the shares of Bruker Optics being acquired by Bruker BioSciences. The actual



number of shares that will be issued to Bruker Optics stockholders, including Dr. Laukien and his related family members, will be determined based on the average of closing prices per share of Bruker BioSciences common stock on the Nasdaq National Market for a period of 10 consecutive trading days ending three days before the closing date, which is referred to as the trailing average. If the closing date were on May [ ], 2006, we would have issued [ ] shares of our common stock to the Bruker Optics stockholders based on a trailing average of \$[ ] per share. Using this assumed date, following the acquisition, Dr. Laukien and his related family members would own, in the aggregate, approximately [ ]% of the outstanding shares of common stock of Bruker BioSciences. In addition, Dr. Laukien's half brother, Dirk D. Laukien, is the President of Bruker Optics and, following Bruker BioSciences' acquisition of Bruker Optics, will become a senior vice president of Bruker BioSciences and, in connection with his new role, will receive a grant of 500,000 shares of Bruker BioSciences restricted common stock. In addition, immediately prior to the acquisition, Bruker Optics may make a one time \$2.5 million bonus payment to Dirk D. Laukien. Although the Bruker BioSciences board of directors appointed an independent special committee to determine the advisability of and to negotiate the terms of the transaction, you should take the potential conflicts of interest of the Laukien family into account when considering the recommendations of the special committee and of the board of directors.

***The acquisition of Bruker Optics is subject to the receipt of consents and approvals from government entities that may not be received or that may impose conditions that could have an adverse effect on Bruker BioSciences following the completion of the acquisition.***

We cannot complete the acquisition of Bruker Optics unless we and Bruker Optics receive various consents, orders, approvals and clearances from antitrust and other authorities in the United States. While we believe we will receive the requisite regulatory approvals from these authorities, there can be no assurance of this. In addition, the authorities may impose conditions on the completion of the acquisition or require changes to the terms of the acquisition. For example, the authorities may require divestiture of certain assets as a condition of closing the acquisition of Bruker Optics. Bruker BioSciences is not obligated to agree to divest material assets in order to obtain regulatory approval of the proposed acquisition of Bruker Optics. While Bruker BioSciences does not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the acquisition of Bruker Optics or imposing additional costs on Bruker BioSciences.

***The issuance of approximately [ ] million shares of Bruker BioSciences common stock to Bruker Optics stockholders in the acquisition will substantially reduce the percentage interests of Bruker BioSciences stockholders.***

If the acquisition is completed, approximately [ ] million shares of Bruker BioSciences common stock will be issued to current Bruker Optics stockholders, and former Bruker Optics stockholders will own approximately [ ]% of the outstanding common stock of Bruker BioSciences after the acquisition. The issuance of these shares to current Bruker Optics stockholders will cause a reduction in the relative percentage interests of current Bruker BioSciences stockholders in earnings, voting, liquidation value and book and market value. The issuance of shares of Bruker BioSciences common stock at any implied premium would likely result in dilution to the market price of Bruker BioSciences common stock. The issuance of additional shares in future transactions could further reduce the percentage interests of current Bruker BioSciences stockholders and Bruker Optics stockholders.

#### **CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed

investment decisions. This proxy statement contains such forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this proxy statement, and they may also be made a part of this proxy statement by reference to other documents filed with the Securities and Exchange Commission by Bruker BioSciences, which is known as incorporation by reference. These statements may include statements regarding the period following completion of the acquisition. Words such as anticipate, estimate, expects, projects, intends, plans, believes and words and terms of similar substance used in connection with any discussion of future operating or financial performance, or the acquisition of Bruker Optics by Bruker BioSciences, identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including the risks described under Risk Factors in this proxy statement and in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement or the date of the document incorporated by reference in this proxy statement. Bruker BioSciences is not under any obligation, and expressly disclaims any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the quarterly reports on Form 10-Q and the annual reports on Form 10-K that Bruker BioSciences has filed with the Securities and Exchange Commission.

All subsequent forward-looking statements attributable to Bruker BioSciences or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

## **STOCKHOLDER MEETING**

This Proxy Statement and the enclosed Proxy Card are furnished in connection with the solicitation of proxies by the board of directors of Bruker BioSciences for use at the 2006 Annual Meeting of Stockholders (the Annual Meeting) and at any adjournment thereof. The approximate date on which this Proxy Statement and form of proxy are first being sent to stockholders is May 26, 2006.

### **Date, Time and Place of Stockholder Meeting**

As set forth in the notice of meeting, the Bruker BioSciences 2006 Annual Meeting of Stockholders is scheduled to be held on June 29, 2006 at 9 a.m. at the office of Nixon Peabody LLP, 100 Summer Street, Boston, Massachusetts.

### **Purpose**

The stockholder meeting is being held so that stockholders may consider and vote on:

- a proposal to approve the transactions contemplated by the stock purchase agreement, dated as of April 17, 2006, by and among Bruker BioSciences, Bruker Optics Inc. and the stockholders of Bruker Optics relating to the acquisition of Bruker Optics by Bruker BioSciences, including the issuance of shares in connection with the acquisition;
- a proposal to approve an amendment to the certificate of incorporation increase the authorized share capital, contingent upon approval of the transactions described above;
- a proposal to approve an amendment to our stock option plan to increase the number of shares of common stock for which options or shares of restricted common stock may be granted under the plan;



- a proposal to elect three Class III directors to hold office until the 2009 Annual Meeting of Stockholders; and
- a proposal to ratify the selection of Ernst & Young LLP as Bruker BioSciences independent registered public accounting firm.

**Record Date**

Only stockholders of record at the close of business on May 8, 2006 are entitled to notice of and to vote at the Annual Meeting. On May 8, 2006, Bruker BioSciences had outstanding and entitled to vote 90,074,933 shares of common stock. Each outstanding share of common stock entitles the record holder to one vote. Votes will be tabulated by our transfer agent and the inspector of elections, who will be one of our employees or one of our attorneys.

**Vote Required for Approval**

*Acquisition and Share Issuance.* The transactions contemplated by the stock purchase agreement, including the share issuance, must be approved by the affirmative vote of the holders of a majority of the shares of Bruker BioSciences common stock present or represented by proxy at the Annual Meeting and entitled to vote. The transactions contemplated by the stock purchase agreement must also be approved by the affirmative vote of holders of shares of Bruker BioSciences common stock who are unaffiliated with the five Laukien family members and who represent at least a majority of the total votes cast by these unaffiliated holders at the Annual Meeting.

*Amendment to Certificate of Incorporation.* The affirmative vote of the holders of a majority of the shares of Bruker BioSciences common stock outstanding as of the record date is required to adopt and approve the amendment to the certificate of incorporation.

*Amendment to Stock Option Plan.* The affirmative vote of the holders of a majority of the shares of Bruker BioSciences common stock present or represented by proxy at the Annual Meeting and entitled to vote is required to approve the amendment to the Amended and Restated 2000 Stock Option Plan.

*Elections of Directors.* Directors shall be elected by a plurality of the votes of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote, which means that the three directors who receive the highest number of affirmative votes will be elected.

*Ratification of Independent Auditors.* Ratification of the independent auditors of Bruker BioSciences for the current year will require the affirmative vote of a majority of the shares of the common stock present or represented and entitled to vote at the Annual Meeting.

As of the record date, Bruker BioSciences directors and executive officers and their affiliates owned 58.44% of the outstanding shares of Bruker BioSciences common stock. Five stockholders, including Frank H. Laukien, who are parties to the stock purchase agreement, have covenanted under the terms of the stock purchase agreement to vote all of their shares of Bruker BioSciences in favor of the acquisition and related share issuance. These shares represent 57.79% of the voting power of Bruker BioSciences entitled to vote at the stockholder meeting and, under our bylaws and NASD rules, are sufficient to approve the proposal regarding the acquisition and related share issuance. However, the terms of the stock purchase agreement provide, that the transactions contemplated by the stock purchase agreement are subject to approval by holders of shares of Bruker BioSciences common stock who are unaffiliated with the five Laukien family members and who represent at least a majority of the total votes cast by these unaffiliated holders at the Annual Meeting.

**Voting of Proxies; Quorum; Abstentions and Broker Non-Votes**

If the enclosed Proxy Card is properly executed and returned, it will be voted in the manner directed by the stockholder. If no instructions are specified with respect to any particular matter to be acted upon, proxies will be voted in favor of such matter. In addition, if other matters come before the meeting, the persons named in the accompanying proxy and acting thereunder will have discretion to vote on those matters in accordance with their best judgment. Any person signing the enclosed form of proxy has the power to revoke it by voting in person at the meeting, by giving written notice of revocation to the Secretary of Bruker BioSciences at 40 Manning Road, Billerica, Massachusetts 01821 at any time before the proxy is exercised or by granting a subsequently dated proxy. Please note, however, that if your shares are held of record by a broker, bank or nominee and you wish to vote at the meeting, you will not be permitted to vote in person unless you first obtain a proxy issued in your name from the record holder.

The holders of a majority in interest of all of the Bruker BioSciences common stock, par value \$.01 per share, issued, outstanding and entitled to vote are required to be present in person or be represented by proxy at the Annual Meeting in order to constitute a quorum for the transaction of business. Each share of common stock outstanding on the record date will be entitled to one vote on all matters.

Because abstentions with respect to any matter are treated as shares present or represented and entitled to vote for the purposes of determining whether that matter has been approved by the stockholders, abstentions have the same effect as negative votes for each proposal other than the election of directors and the vote by unaffiliated stockholders relating to the acquisition and share issuance. Broker non-votes are not deemed to be present or represented for purposes of determining whether stockholder approval of that matter has been obtained, but they are counted as present for purposes of determining the existence of a quorum at the Annual Meeting.

**Solicitation of Proxies**

Bruker BioSciences will bear the cost of the solicitation. Although it is expected that the solicitation will be primarily by mail, regular employees or representatives of Bruker BioSciences (none of whom will receive any extra compensation for their activities) may also solicit proxies by telephone, telecopier and in person and arrange for brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy materials to their principals at the expense of Bruker BioSciences.

**Recommendations of the Board of Directors and Special Committee**

The board of directors of Bruker BioSciences and the independent special committee appointed by the board of directors unanimously determined that the stock purchase agreement and the transactions contemplated by the stock purchase agreement, including the acquisition of Bruker Optics are advisable, voted to approve the stock purchase agreement and recommends that the stockholders vote FOR the transactions contemplated by the stock purchase agreement, including the issuance of shares of Bruker BioSciences common stock in connection with the acquisition of Bruker Optics, FOR the amendment to the certificate of incorporation, FOR the amendment to the Amended and Restated 2000 Stock Option Plan, FOR the directors nominated for re-election and FOR the ratification of Ernst & Young as Bruker BioSciences independent registered public accounting firm.

Bruker BioSciences principal executive offices are located at 40 Manning Road, Billerica, Massachusetts 01821, and our telephone number is (978) 663-3660.

## **PROPOSAL NO. 1 THE ACQUISITION AND THE ISSUANCE OF SHARES IN CONNECTION WITH THE ACQUISITION**

This section of the proxy statement describes material aspects of the proposed acquisition, including the stock purchase agreement and the related issuance of Bruker BioSciences shares of common stock. While we believe that the description covers the material terms of the acquisition, this summary may not contain all of the information that is important to you. You should read this entire proxy statement and the other documents which are attached or incorporated by reference carefully for a more complete understanding of the acquisition.

### **General**

Bruker BioSciences board of directors is using this proxy statement to solicit proxies from the holders of Bruker BioSciences common stock for use at the Bruker BioSciences Annual Meeting.

### **Proposals**

At the Annual Meeting, holders of Bruker BioSciences common stock are being asked to vote on, among other things, the acquisition of Bruker Optics and the issuance of shares of Bruker BioSciences common stock in connection with the acquisition.

**The acquisition will not be completed unless Bruker BioSciences stockholders approve the acquisition and the issuance of shares of Bruker BioSciences common stock in connection with the acquisition.**

### **Background of the Acquisition**

From time to time, the boards of directors of each of Bruker BioSciences and Bruker Optics have separately considered strategic alternatives and business combinations.

On October 31, 2005, at a meeting held at Bruker BioSciences, Dirk Laukien, the President and Chief Executive officer of Bruker Optics, informed Frank Laukien, Jörg Laukien, a board member of Bruker BioSciences, and Richard Stein of Nixon Peabody, outside counsel to Bruker BioSciences and Bruker Optics, a board member of Bruker BioSciences and the secretary of Bruker BioSciences and Bruker Optics, that Dirk Laukien had a possible interest in selling Bruker Optics and that he had begun discussions with another company regarding the sale of Bruker Optics.

In November, 2005, Bill Knight, the Chief Financial Officer of Bruker BioSciences had a number of meetings, telephone conversations and emails with Dirk Laukien and Jonathan Hitchcock, the Treasurer and Controller of Bruker Optics, regarding a possible transaction between Bruker BioSciences and Bruker Optics. A meeting between Dirk Laukien and Bill Knight on this topic occurred on November 14.

In November, 2005, Frank Laukien, Isolde Laukien, Marc Laukien, Dirk Laukien and Jörg Laukien, the majority owners of both Bruker BioSciences and Bruker Optics, discussed a potential transaction between Bruker BioSciences and Bruker Optics. At this time, these stockholders decided that the feasibility, desirability and structural/tax consequences of such an acquisition should be explored.

On November 22, 2005, Frank Laukien informed Bill Linton, as Lead Director of Bruker BioSciences, of the existence of the discussions regarding the potential acquisition of Bruker Optics by Bruker BioSciences and, due to the related-party nature of the potential acquisition, asked Mr. Linton to become involved. At this time Mr. Linton expressed his willingness to become involved in exploring the possibility of an acquisition of Bruker Optics. Mr. Linton and Frank Laukien discussed the potential benefits and risks associated with the transaction. Frank Laukien suggested that Mr. Linton contact Bruker Optics management for further discussions.

During the week of November 22, 2005, Bill Linton and Dirk Laukien spoke by telephone. They discussed the potential acquisition, the potential synergies between the two companies, and the motivations for all parties to consider the idea of moving forward with the potential acquisition.

On December 1, 2005, a conference call occurred among Frank Laukien, Bill Linton, Richard Stein, Brian Monahan and Bill Knight to discuss a possible acquisition of Bruker Optics and a dinner meeting Mr. Linton was going to have with Dirk Laukien on December 4.

On December 4, 2005, Bill Linton, Dirk Laukien and Bill Knight had a dinner meeting and discussed a possible transaction.

During November and December, 2005, there were numerous internal discussions and emails among Brian Monahan, Corporate Controller of Bruker BioSciences, Bill Knight, Bill Linton, Frank Laukien and Richard Stein regarding a possible Bruker Optics transaction.

On January 9, 2006, Frank Laukien sent Bill Linton materials regarding a possible Bruker Optics transaction.

On January 10, 2006, Frank Laukien informed the board of directors of Bruker BioSciences of a possible transaction, providing certain background information and scheduling a board conference call for January 12, 2006.

On January 10, 2006, Nixon Peabody provided Frank Laukien preliminary thoughts regarding a Bruker Optics deal structure. Specifically, Nixon Peabody addressed potential deal structures, tax implications and the process of acquiring an affiliated private company.

On January 10 and 11, 2006, numerous emails were exchanged between Frank Laukien and members of the Bruker BioSciences board regarding the rationale for a possible transaction.

On January 12, 2006, the Bruker BioSciences board of directors held a special meeting by conference call to discuss the potential acquisition of Bruker Optics. The board engaged in an extensive discussion regarding the rationale for the possible acquisition and strategic alternatives. Among the topics discussed were synergies, the reaction of institutional investors, the Bruker Optics financial results and the Bruker Optics forecast. Mr. Linton described his involvement in discussions with Bruker Optics due to his role as Lead Director. The various conflicts present in connection with a possible transaction with Bruker Optics were discussed, and it was the sense of the board that if the matter were to proceed, it should do so under the auspices of the independent directors. As a result the board of directors created a special committee consisting of William Linton, Lead Director of the board of directors, as chairman of the special committee, M. Christopher Canavan, Jr., Taylor Crouch and Daniel Dross. All members of the special committee are independent directors, within the meaning of the listing standards of the Nasdaq Stock Market, and are unaffiliated with the Laukien family. The tasks of the special committee were: (i) to consider the advisability of the proposed acquisition of Bruker Optics, (ii) if it concluded the acquisition was advisable, to negotiate on behalf of Bruker BioSciences the terms of the acquisition and (iii) to recommend to the board of directors of Bruker BioSciences whether the acquisition was in the best interests of the stockholders of Bruker BioSciences who are not affiliated with the Laukien family. The special committee was authorized to retain its own financial and legal advisors to assist it in discharging those responsibilities. The board determined that the special committee should meet during the week of January 16 to determine whether to continue exploring a potential acquisition of Bruker Optics.

Shortly thereafter, the special committee retained Bear, Stearns & Co. Inc. as its financial advisor and Dewey Ballantine LLP as its legal advisor. Both Bear Stearns and Dewey Ballantine had provided advice to a special committee of the board of directors of Bruker Daltonics in connection with its merger with Bruker AXS in 2003.

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On January 15, 2006, Frank Laukien notified Dirk Laukien of the interest of Bruker BioSciences in a possible transaction, the pending appointment of the special committee and the next steps.

On January 25, 2006, Bruker Optics made a telephonic and powerpoint webex presentation to Bear Stearns regarding Bruker Optics' business and financials.

On January 26, 2006, Frank Laukien provided Bear Stearns information regarding the various percentages of stock and cash which the Laukien family members would desire in a possible transaction.

On January 27, 2006, the special committee met with Bear Stearns to discuss the preliminary pre-due diligence valuation of Bruker Optics and strategic rationale perspectives on a potential acquisition.

On January 30, 2006, Nixon Peabody provided a suggested form of letter of intent for the transaction to the special committee and counsel for the special committee.

On January 31, 2006, Nixon Peabody provided its thoughts on a possible deal structure to the special committee and counsel for the special committee.

That same day, during a Bruker BioSciences board conference call, the board formally confirmed the appointment of the special committee and decided to commence formal discussions with Bruker Optics regarding a possible acquisition of all of the outstanding stock of Bruker Optics by Bruker BioSciences. During the meeting, Mr. Linton presented the background of the possible acquisition of Bruker Optics, together with an update on informal discussions regarding this topic which had occurred among the independent directors. Mr. Linton described the various issues which had been considered by the independent directors and their conclusion that, based upon preliminary analysis done by Bear Stearns, it would be worthwhile to continue exploring the possibility of such an acquisition. Mr. Linton also described the various issues which needed to be examined in detail prior to proceeding with a transaction with Bruker Optics.

On February 2, 2006, representatives of the special committee and Dewey Ballantine attended an online due diligence presentation of Bruker Optics management.

On February 3, 2006, representatives of the special committee and Dewey Ballantine met to discuss the draft letter of intent and special committee compensation and indemnification.

On February 6, 2006, a non-binding letter of intent was submitted by the special committee to Dirk Laukien. At the same time, Dirk Laukien informed Bruker BioSciences that Bruker Optics had received an all cash offer from the other party with whom he had been negotiating. The amount of the other party's offer was higher than the final offer made by Bruker BioSciences, which was ultimately accepted by Bruker Optics. The offer was from a well established company which fully possessed the necessary liquidity and other requirements for this type of an offer. This offer was the result of months of discussions between Bruker Optics and the party making the offer and was treated by Bruker Optics as being an extremely serious, well qualified offer.

On February 7 and February 8, 2006, a series of calls and emails among Bruker BioSciences management represented by Bill Knight and Frank Laukien and Bruker Optics management represented by Dirk Laukien occurred regarding integration and related matters.

On February 9, 2006, a meeting occurred at Bill Linton's office in Madison, Wisconsin among Bill Linton, Dirk Laukien and Frank Laukien regarding the many elements of a possible transaction and Dirk Laukien's role in Bruker BioSciences on a going forward basis.

On February 10, 2006, calls and emails between Bill Knight and Jonathan Hitchcock occurred regarding diligence and related matters.

That same day, a conference call occurred among the Laukien family members in their capacity as majority stockholders of Bruker Optics where they informally approved the transaction as discussed on February 9, 2006 among Dirk Laukien, Bill Linton and Frank Laukien.

On February 13, 2006, a revised form of the letter of intent was presented by the special committee to Bruker Optics management.

On February 14, 2006, the non-binding letter of intent was executed by all parties.

On February 15, 2006, at a regular meeting of the Bruker BioSciences board, Bill Linton updated the board on the activities of the special committee. Bill Linton described what had been accomplished to date and what remained to be done.

On February 21, 2006, the special committee and the management of each of Bruker BioSciences and Bruker Optics, as well as their respective legal and financial advisors, met in Billerica, Massachusetts. Members of management of each company made presentations regarding their respective businesses and a potential transaction involving the two companies.

On February 22, 2006, at a regular meeting of the Bruker BioSciences board, Bill Linton gave an update on the status of the potential acquisition and Frank Laukien presented a plan for the integration of Bruker BioSciences and Bruker Optics if the acquisition were to be consummated. A detailed discussion occurred in connection with Frank Laukien's presentation.

That same day, Bruker BioSciences issued a press release announcing its 2005 financial results.

On March 17, 2006, the special committee and representatives of Dewey Ballantine met to discuss legal due diligence, and a proposed form of stock purchase agreement.

That same day, Bear Stearns and Bruker Optics management met telephonically to review Bruker Optics' preliminary fiscal year 2005 financials.

In addition, on March 17, 2006, a draft stock purchase agreement was transmitted to Bruker Optics and its counsel by Dewey Ballantine.

On March 21, 2006, Bear Stearns and Bruker Optics management met in Billerica, Massachusetts to perform financial due diligence and review assumptions with respect to Bruker Optics' financial projections. Bear Stearns also met with Bruker BioSciences in Billerica, Massachusetts to discuss Bruker BioSciences' management's due diligence review of Bruker Optics and certain integration matters.

On March 22, 2006, representatives of Dewey Ballantine, Nixon Peabody and Bruker Optics' counsel met at Dewey Ballantine's offices in New York.

On March 23, 2006, the special committee and its advisors received the comments of Dirk Laukein.

That same day, Bear Stearns met with William Knight and Brian Monahan in Billerica, Massachusetts to review the financial projections of Bruker Optics and Bruker BioSciences, as well as potential synergies in respect of a potential acquisition.

On March 28, 2006, the special committee met with representatives of Dewey Ballantine and Bear Stearns to discuss the negotiations of the stock purchase agreement. In addition, representatives of Dewey Ballantine and Bear Stearns delivered legal and financial due diligence reports to the special committee, including a review of Bruker Optics' preliminary 2005 financial results and its projections.

On April 4, 2006, the special committee met with representatives of Bruker BioSciences management, Dewey Ballantine and Bear Stearns. Bruker BioSciences management delivered a report on operational due diligence. Dewey Ballantine and Bear Stearns provided legal and financial due diligence updates and updates regarding the ongoing negotiation of the stock purchase agreement.

On April 5, 2005, a revised stock purchase agreement was circulated by Dewey Ballantine.

On April 6, 2006, the special committee and its advisors received further comments to the draft stock purchase agreement from Dirk Laukien.

On April 11, 2006, a revised stock purchase agreement was circulated by Dewey Ballantine.

On April 13, 2006, representatives of Dewey Ballantine received the comments to the draft stock purchase agreement from Frank Laukien.

That same day, the special committee met with representatives of Bruker BioSciences management, Dewey Ballantine, Bear Stearns and Ernst & Young. Ernst & Young delivered a report on accounting and tax due diligence. Bruker BioSciences management, Dewey Ballantine and Bear Stearns provided final due diligence reports. The special committee discussed ongoing negotiation of the stock purchase agreement.

On April 14, 2006, a final version of the stock purchase agreement was circulated by Dewey Ballantine.

On April 17, 2006, the Bruker BioSciences board of directors, including the special committee, met telephonically with representatives of Bruker BioSciences management, Dewey Ballantine and Bear Stearns to consider the acquisition. Dewey Ballantine provided a review of the directors' fiduciary duties and a summary of the terms of the transaction. Bear Stearns provided a detailed presentation of the transaction and delivered its oral opinion, which was subsequently confirmed in writing, that as of April 17, 2006, and based upon and subject to the assumptions, qualifications and limitations set forth in the written opinion, the consideration to be issued in the acquisition was fair, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own Bruker Optics shares. Bill Linton then summarized the activities of the special committee. Following Bill Linton's summary, the special committee met in executive session and voted to proceed with the transaction. The special committee then rejoined the board meeting and Bill Linton reported on its vote, after which the independent members of the board also unanimously voted in favor of the transaction and recommended that it be approved and adopted by the stockholders of Bruker BioSciences.

#### **Reasons for the Acquisition**

The Bruker BioSciences board of directors and the Bruker BioSciences special committee considered a number of factors and additional benefits for Bruker BioSciences' stockholders that could result from the acquisition. These additional factors and potential benefits include:

- The complementary nature of the business of Bruker BioSciences' subsidiaries, Bruker Daltonics and Bruker AXS, and Bruker Optics would allow for potential strategic benefits, including the fact that Bruker BioSciences would become more of a leading tools supplier for life science and materials research and would offer a broader technology base and an increased distribution, sales and service infrastructure;
- Acquiring Bruker Optics would allow Bruker BioSciences to increase its critical mass competitively and improve its worldwide geographical distribution coverage in the Americas, Europe and Asia; and
- The oral opinion of Bear Stearns to the Bruker BioSciences special committee on April 17, 2006, subsequently confirmed by a written opinion, also dated April 17, 2006, that, as of April 17, 2006, and based upon and subject to the assumptions, qualifications, and limitations set forth therein, the consideration to be issued in the acquisition was fair, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own Bruker Optics shares. The full text of Bear Stearns' written opinion, dated April 17, 2006, which sets

forth the assumptions made, matters considered and limitations on the review undertaken by Bear Stearns, is attached hereto as Annex B and is incorporated into this proxy statement by reference.

In addition, the Bruker BioSciences board of directors took into consideration the unanimous recommendation of the Bruker BioSciences special committee.

The Bruker BioSciences board of directors and the Bruker BioSciences special committee also identified a number of risks and uncertainties in its deliberations concerning the acquisition, including the following:

- The fact that Bruker Optics is a focused independent entity and the integration of Bruker Optics into Bruker BioSciences could harm the entrepreneurial spirit of Bruker Optics;
- The need to integrate Bruker Optics into Bruker BioSciences financial and information systems;
- The risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the acquisition; and
- The risk that the acquisition would not be consummated.

The foregoing discussion of the factors considered by the Bruker BioSciences board of directors and the special committee is not intended to be exhaustive but summarizes the material factors considered by the Bruker BioSciences board of directors and the special committee in making its recommendation. In view of the wide variety of factors considered by the Bruker BioSciences board of directors and special committee, neither found it practical to and did not quantify or assign any relative or specific weights to the preceding factors or determine that any factor was of particular importance, nor did it specifically characterize any factor as positive or negative, except as described above. The Bruker BioSciences board of directors and the special committee viewed its decision and recommendation as being based on the totality of the information presented. In addition, individual members of the Bruker BioSciences board of directors and the special committee may have given differing weights to differing factors and may have viewed certain factors more positively or negatively than others. Throughout its deliberations, the Bruker BioSciences board of directors and the special committee consulted with Bruker BioSciences management and their respective legal and financial advisors.

The Bruker BioSciences board of directors and the special committee each concluded that certain of these risks could be managed or mitigated and others were unlikely to occur or have a material impact on the combined company or the acquisition, and that, on balance, the potential benefits of the acquisition outweighed the risks of the acquisition. For these reasons, the Bruker BioSciences board of directors and the special committee determined the stock purchase agreement and the transactions contemplated by it, including the issuance of Bruker BioSciences shares as a part of the consideration for the stock purchase, are advisable, fair to and in the best interests of Bruker BioSciences and its stockholders, approved (or, in the case of the Bruker BioSciences special committee, recommended approval of) the stock purchase agreement and recommended that holders of Bruker BioSciences common stock approve the transactions contemplated by the stock purchase agreement, including the issuance of Bruker BioSciences common stock in connection with the acquisition of Bruker Optics.

#### **Recommendation of the Board of Directors and Special Committee**

By unanimous vote of the Bruker BioSciences special committee, the Bruker BioSciences special committee determined that the stock purchase agreement and the transactions contemplated by it, including the issuance of Bruker BioSciences shares as a part of the consideration for the acquisition, are advisable, fair to and in the best interests of Bruker BioSciences and its stockholders, voted to recommend approval of the stock purchase agreement by the board of directors of Bruker BioSciences and recommended that holders of Bruker BioSciences common stock approve the transactions contemplated



by the stock purchase agreement, including the issuance of Bruker BioSciences shares as a part of the consideration for the acquisition of Bruker Optics. By the unanimous vote of the members of the board of directors present at the board meeting and who voted on the transaction (all non-independent directors, namely Frank H. Laukien, Jörg Laukien, Bernhard Wangler and Richard Stein, recused themselves from voting) at the board meeting at which the stock purchase was considered and voted upon, the Bruker BioSciences board of directors determined that the stock purchase agreement as proposed and the transactions contemplated by it, including the acquisition and related issuance of shares, are advisable, fair to and in the best interests of Bruker BioSciences and its stockholders, approved the stock purchase agreement and recommended that holders of Bruker BioSciences common stock vote FOR the transactions contemplated by the stock purchase agreement, including the issuance of Bruker BioSciences common stock as part of the consideration for the acquisition of Bruker Optics.

In considering the recommendation of the Bruker BioSciences board of directors with respect to the stock purchase agreement and related issuance of shares, you should be aware that certain directors and executive officers of Bruker BioSciences may have interests in the acquisition that are different from, or are in addition to, the interests of Bruker BioSciences stockholders. Please see the section entitled *Interests of Certain Directors and Executive Officers in the Acquisition* that begins on page 35 of this proxy statement.

#### **Opinion of Bruker BioSciences Financial Advisor**

Pursuant to an engagement letter dated March 29, 2006, the Bruker BioSciences special committee retained Bear Stearns to act as its financial advisor with respect to a possible transaction with Bruker Optics. In selecting Bear Stearns, the Bruker BioSciences special committee considered the fact that Bear Stearns is an internationally recognized investment banking firm with substantial experience advising companies in the healthcare industry as well as substantial experience providing strategic advisory services. Bear Stearns, as part of its investment banking business, is continuously engaged in the evaluation of businesses and their debt and equity securities in connection with mergers and acquisitions; underwritings, private placements and other securities offerings; senior credit financings; valuations; and general corporate advisory services.

At the April 17, 2006 meeting of the Bruker BioSciences special committee, Bear Stearns delivered its oral opinion, which was subsequently confirmed in writing, that, as of April 17, 2006, and based upon and subject to the assumptions, qualifications and limitations set forth in the written opinion, the consideration to be issued in the acquisition was fair, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own Bruker Optics shares.

The full text of Bear Stearns' written opinion is attached as Annex B to this proxy statement and you should read the opinion carefully and in its entirety. The opinion sets forth the assumptions made, some of the matters considered and qualifications to and limitations of the review undertaken by Bear Stearns. The Bear Stearns opinion is subject to the assumptions and conditions contained in it and is necessarily based on economic, market and other conditions and the information made available to Bear Stearns as of the date of the Bear Stearns opinion.

In reading the discussion of the fairness opinion set forth below, you should be aware that Bear Stearns' opinion:

- was provided to the Bruker BioSciences special committee for its benefit and use;
- did not constitute a recommendation to the board of directors of Bruker BioSciences or the Bruker BioSciences special committee or any stockholder of Bruker BioSciences as to how to vote in connection with the acquisition of Bruker Optics or otherwise; and

- did not address Bruker BioSciences' underlying business decision to pursue the acquisition of Bruker Optics, the relative merits of the acquisition as compared to any alternative business strategies that might exist for Bruker BioSciences, the financing of the acquisition or the effects of any other transaction in which Bruker BioSciences might engage.

Bruker BioSciences and the special committee did not provide specific instructions to, or place any limitations on, Bear Stearns with respect to the procedures to be followed or factors to be considered by it in performing its analyses or providing its opinion.

In connection with rendering its opinion, Bear Stearns:

- reviewed a draft of the stock purchase agreement in substantially final form;
- reviewed Bruker Optics' Consolidated Financial Statements for the years ended December 31, 2004 and 2005, as audited by Ernst & Young;
- reviewed certain operating and financial information relating to Bruker Optics' business and prospects, including projections for the five years ended December 31, 2010, all as prepared and provided by Bruker Optics' management (which are referred to as the Bruker Optics projections);
- met with certain members of Bruker Optics' senior management to discuss Bruker Optics' business, operations, historical financial results and future prospects and the Bruker Optics projections;
- reviewed Bruker BioSciences' Annual Reports to Stockholders and Annual Reports on Form 10-K for the years ended December 31, 2003, 2004 and 2005 and its Current Reports on Form 8-K filed since December 31, 2005;
- reviewed certain operating and financial information relating to Bruker BioSciences' business and prospects, including projections for the five years ended December 31, 2010, all as prepared and provided to us by Bruker BioSciences' management (which are referred to as the Bruker BioSciences projections);
- reviewed certain operating and financial projections for Bruker Optics for the five years ended December 31, 2010, all as prepared and provided to us by Bruker BioSciences' management (which are referred to as the adjusted Bruker Optics projections);
- reviewed certain estimates of revenue enhancements, cost savings and other combination benefits expected to result from the acquisition, prepared and provided to us by Bruker BioSciences' management (which are referred to as the potential synergies);
- met with certain members of Bruker BioSciences' senior management to discuss Bruker BioSciences' and Bruker Optics' businesses, operations, historical financial results and future prospects, the Bruker BioSciences projections, the Bruker Optics projections, the adjusted Bruker Optics projections and the potential synergies;
- reviewed the historical stock prices, trading multiples and trading volumes of the common stock of Bruker BioSciences;
- reviewed publicly-available financial data, stock market performance data and trading multiples of companies which we deemed generally comparable to Bruker BioSciences and Bruker Optics;
- reviewed the terms of recent mergers and acquisitions involving companies which we deemed generally comparable to Bruker Optics;

- performed discounted cash flow analyses based on the Bruker BioSciences projections, the adjusted Bruker Optics projections and the pro forma combined projections of Bruker BioSciences and Bruker Optics including the potential synergies;

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- reviewed the pro forma financial results, financial condition and capitalization of Bruker BioSciences, giving effect to the acquisition; and
- conducted such other studies, analyses, inquiries and investigations as Bear Stearns deemed appropriate.

Bear Stearns relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information provided to or discussed with it by Bruker BioSciences and Bruker Optics or obtained by it from public sources, including, without limitation, the Bruker BioSciences projections, the Bruker Optics projections, the adjusted Bruker Optics projections and the potential synergies. With respect to the Bruker BioSciences projections, the Bruker Optics projections and the adjusted Bruker Optics projections, Bear Stearns relied on representations that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the senior management of Bruker BioSciences and Bruker Optics, respectively, as to the expected future performance of Bruker BioSciences and Bruker Optics and utilized these projections in performing its review and analyses for rendering its opinion. With respect to the potential synergies, Bear Stearns relied on representations that they were reasonably prepared based on the best currently available estimates and judgments of the senior management of Bruker BioSciences as to the combination benefits expected to result from the acquisition. Bear Stearns did not assume any responsibility for the independent verification of any such information or of the Bruker BioSciences projections, the Bruker Optics projections, the adjusted Bruker Optics projections and the potential synergies provided to it, and Bear Stearns further relied upon the assurances of the senior managements of Bruker BioSciences and Bruker Optics that they are unaware of any facts that would make the information, the Bruker BioSciences projections, the Bruker Optics projections, the adjusted Bruker Optics projections and the potential synergies provided to it incomplete or misleading.

In arriving at its opinion, Bear Stearns did not perform or obtain any independent appraisal of the assets or liabilities (contingent or otherwise) of Bruker BioSciences and Bruker Optics, nor was Bear Stearns furnished with any such appraisals. Bear Stearns assumed that the transactions contemplated by the stock purchase agreement will be consummated in a timely manner and in accordance with the terms of the stock purchase agreement without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material effect on Bruker BioSciences or Bruker Optics, and that the final form of the stock purchase agreement will be substantially similar to the last draft reviewed by it.

Bear Stearns did not express any opinion as to the price or range of prices at which shares of common stock of Bruker BioSciences may trade subsequent to the announcement or consummation of the acquisition.

#### **Summary of Financial Analyses**

The following is a brief summary of the material financial analyses performed by Bear Stearns and presented to the Bruker BioSciences special committee and Bruker BioSciences board of directors in connection with rendering its fairness opinion on April 17, 2006.

**Some of the financial analyses summarized below include summary data and information presented in tabular format. In order to understand fully the financial analyses, the summary data and tables must be read together with the full text of the analyses. Considering the summary data and tables alone, without considering the full narrative description of the financial analysis, could create a misleading or incomplete view of Bear Stearns financial analyses.**

**Discounted Cash Flow Analysis.** Based on cash flow projections for Bruker BioSciences, Bruker Optics and the potential synergies expected to result in the transaction all as prepared by Bruker BioSciences, Bear Stearns performed a discounted cash flow analysis to assist the Bruker BioSciences special committee in valuing Bruker Optics, Bruker BioSciences and the pro forma combined company.

Bear Stearns performed a discounted cash flow analysis assuming:

- for Bruker Optics, a range of illustrative discount rates of 13.5% to 15.5% and a range of terminal EBITDA multiples (based on estimated 2010 EBITDA) of 8.0x to 10.0x;
- for Bruker BioSciences, a range of illustrative discount rates of 13.5% to 15.5% and a range of terminal EBITDA multiples (based on estimated 2010 EBITDA) of 8.0x to 10.0x; and
- for potential synergies, a range of illustrative discount rates of 13.5% to 15.5% and illustrative perpetual growth rates of 2% to 4%.

Discounted cash flow valuations were calculated for Bruker Optics on a stand-alone basis using the adjusted Bruker Optics projections, both including and excluding potential synergies. Bear Stearns derived a range of implied equity values for Bruker Optics as follows:

	<b>Range Low (\$ in millions)</b>	<b>High</b>
<b>Bruker Optics</b>		
Excluding Potential Synergies	\$ 147.8	\$ 187.5
Including Potential Synergies	162.9	208.8

The ranges of implied equity values in the table above compare to the purchase price of \$135 million.

Discounted cash flow valuations were also calculated for Bruker BioSciences on a stand-alone basis using the Bruker BioSciences projections and for the pro forma combined company both including and excluding the potential synergies. In calculating per share values for the pro forma combined company, the number of Bruker BioScience shares to be issued in the acquisition were based on various assumed Bruker BioSciences stock prices including \$4.95, the closing price on April 13, 2006, \$3.11, the lowest closing price over the past 52-weeks and the trailing average price at which Bruker BioSciences has the right to terminate the acquisition, and \$5.61, the highest closing price over the past 52-weeks. The actual number of Bruker BioSciences shares to be issued in the acquisition will be based on the average of the closing prices per share of Bruker BioSciences on the Nasdaq, as reported in *The Wall Street Journal*, for the period of ten consecutive trading days ending three days prior to the closing date.

Bear Stearns derived a range of implied equity values per share for Bruker BioSciences and the pro forma combined company as follows:

	<b>Range</b>	
	<b>Low</b>	<b>High</b>
<b>Bruker BioSciences</b>		
Stand-alone	\$ 6.01	\$ 7.37
<b>Combined Company</b>		
<b><i>Bruker BioSciences Shares Issued at \$4.95</i></b>		
Excluding Potential Synergies	\$ 5.96	\$ 7.55
Including Potential Synergies	6.11	7.75
<b><i>Bruker BioSciences Shares Issued at \$3.11</i></b>		
Excluding Potential Synergies	\$ 5.61	\$ 7.10
Including Potential Synergies	5.74	7.29
<b><i>Bruker BioSciences Shares Issued at \$5.61</i></b>		
Excluding Potential Synergies	\$ 6.04	\$ 7.65
Including Potential Synergies	6.18	7.85

**Comparable Public Companies Analysis.** Bear Stearns performed a comparable public companies analysis to assist the Bruker BioSciences special committee in valuing Bruker Optics based on various financial multiples of selected comparable public companies in the life science instrumentation industry. In performing this analysis, Bear Stearns reviewed certain financial information relating to Bruker Optics and compared this information to the corresponding financial information of publicly-traded life science instrumentation companies which Bear Stearns deemed to be generally comparable to Bruker Optics.

Bear Stearns compared the projected financial performance and the resulting multiples as of April 13, 2006 of Bruker BioSciences and the resulting multiples of Bruker Optics at the \$135 million purchase price in the transaction to eight publicly-traded life science instrumentation companies, which it deemed generally comparable to Bruker Optics. These comparable companies consisted of:

Applied Biosystems Group	PerkinElmer, Inc.
Biacore International AB	Thermo Electron Corporation
Dionex Corporation	Varian, Inc.
Molecular Devices Corporation	Waters Corporation

Using publicly available information and market data as of April 13, 2006, and in the case of Bruker BioSciences and Bruker Optics, information based on Bruker BioSciences management estimates and using Wall Street research projections for revenue, EBITDA and EBIT and consensus estimates for EPS for the above comparable companies, Bear Stearns calculated the following harmonic mean multiples for the above public comparable companies:

	2005A		2006E		2007E	
<b><i>Comparable Company Harmonic Mean Multiples:</i></b>						
Enterprise Value/Revenue	2.65	x	2.47	x	2.50	x
Enterprise Value/EBITDA	14.0		12.5		11.2	
Share Price/EPS			21.9		19.3	
<b><i>Bruker BioSciences at Market Multiples:</i></b>						
Enterprise Value/Revenue	1.29	x	1.16	x	1.07	x
Enterprise Value/EBITDA	14.3		11.2		7.8	
Share Price/EPS			33.7		19.7	
<b><i>Bruker Optics at Deal Multiples:</i></b>						
Enterprise Value/Revenue	1.69	x	1.43	x	1.37	x
Enterprise Value/EBITDA	8.8		6.4		5.8	
Equity Value/Net Income			12.5		11.4	

Harmonic mean is calculated by taking the inverse of the average reciprocals of the multiples and gives equal weight to equal dollar investments in the securities whose ratios are being averaged. Bear Stearns utilizes the harmonic mean in averaging ratios in which price is the numerator.

Enterprise Value is calculated as the sum of the value of the common equity on a fully diluted basis and the value of net debt, any minority interest and preferred stock. EBITDA is a company's earnings before interest, taxes, depreciation and amortization. EBIT is a company's earnings before interest and taxes. EPS is a company's earnings per share. Bruker BioSciences at Market is defined as Bruker BioSciences' enterprise value and share price based on the closing share price of the Bruker BioSciences common stock as of April 13, 2006. Bruker Optics at Deal is defined as Bruker Optics' enterprise value and equity value based on the \$135 million purchase price in the transaction and the value of net debt, a bonus payable to Dirk Laukien prior to closing and certain currency derivative contracts.

**Precedent M&A Transaction Analysis.** Bear Stearns performed a precedent transactions analysis to assist the Bruker BioSciences' special committee in valuing Bruker Optics based on various financial multiples of selected comparable precedent transactions in the life science instrumentation industry. In performing this analysis, Bear Stearns reviewed certain financial information relating to Bruker Optics and compared this information to the corresponding financial information of precedent transactions involving life science instrumentation companies which Bear Stearns deemed to be generally comparable to Bruker Optics.

Bear Stearns compared the financial performance and the resulting multiples of Bruker Optics at the \$135 million purchase price in the transaction to eight precedent transactions involving life science instrumentation companies, which it deemed generally comparable to Bruker Optics. These comparable precedent transactions consisted of:

<b>Date Announced</b>	<b>Target/Acquiror</b>
06/20/05	CIVCO Medical Instruments Co., Inc. / Roper Industries, Inc.
06/13/05	SPECTRO Beteiligungs GmbH / AMETEK, Inc.
01/19/05	Kendro Laboratory Products division of SPX Corporation / Thermo Electron Corporation
10/11/04	Magnex Scientific Limited / Varian, Inc.
09/13/04	InnaPhase Corporation / Thermo Electron Corporation
09/07/04	Epoch Biosciences, Inc. / Nanogen, Inc.
06/01/04	Thermo Electron Corporation's Optical Technologies Segment / Newport Corporation
03/21/04	Axon Instruments, Inc. / Molecular Devices Corporation

Using publicly available information, and in the case of Bruker Optics, information based on Bruker BioSciences management estimates and using Wall Street research projections for revenue and EBITDA for the above target companies, Bear Stearns calculated the following harmonic mean multiples for the above comparable precedent transactions:

	<b>Latest Twelve Months</b>	<b>Current Year</b>
<b><i>Precedent Transactions Harmonic Mean Multiples:</i></b>		
Enterprise Value/Revenue	1.84 x	1.96 x
Enterprise Value/EBITDA	11.4	13.1
<b><i>Bruker Optics/Bruker BioSciences at Deal Multiples:</i></b>		
Enterprise Value/Revenue	1.69 x	1.43 x
Enterprise Value/EBITDA	8.8	6.4

**Contribution Analysis.** Bear Stearns performed a contribution analysis to assist the Bruker BioSciences special committee in valuing Bruker Optics based on the relative contribution of each company to the combined pro forma entity. In performing the analysis, Bear Stearns used the financial projections for Bruker BioSciences and Bruker Optics, both prepared by Bruker BioSciences management. Bear Stearns calculated the relative contribution by both Bruker BioSciences and Bruker Optics to the combined entity with respect to the enterprise value and equity value, based on Bruker BioSciences closing share price of \$4.95 on April 13, 2006, an assumed Bruker BioSciences stock price of \$3.11 and the \$135 million purchase price in the transaction for Bruker Optics, and projected financial data including revenues, EBITDA and net income with and without giving effect to the potential synergies.



The following table illustrates the relative contribution to revenues, EBITDA and net income of both Bruker BioSciences and Bruker Optics, without potential synergies, to the combined company:

**Relative Contribution Without Potential Synergies:**

	% of Contribution	
	Bruker BioSciences	Bruker Optics
Equity Value assuming \$4.95 share price for BRKR	76.9 %	23.1 %
Enterprise Value assuming \$4.95 share price for BRKR	74.3	25.7
Equity Value assuming \$3.11 share price for BRKR	67.6	32.4
Enterprise Value assuming \$3.11 share price for BRKR	61.9	38.1
2006E Revenues	78.1	21.9
2007E Revenues	78.6	21.4
2008E Revenues	79.7	20.3
2009E Revenues	79.7	20.3
2010E Revenues	79.7	20.3
2006E EBITDA	62.2	37.8
2007E EBITDA	68.4	31.6
2008E EBITDA	73.8	26.2
2009E EBITDA	74.3	25.7
2010E EBITDA	76.2	23.8
2006E Net Income	55.4	44.6
2007E Net Income	65.8	34.2
2008E Net Income	74.0	26.0
2009E Net Income	76.2	23.8
2010E Net Income	78.5	21.5

The following table illustrates the relative contribution to revenues, EBITDA and net income of both Bruker BioSciences and Bruker Optics and giving effect to the potential synergies to the combined company:

**Relative Contribution With Potential Synergies:**

	% of Contribution					
	Bruker BioSciences		Bruker Optics		Estimated Synergies	
		%		%		%
2006E Revenues	77.4	%	21.7	%	0.9	%
2007E Revenues	77.8		21.1		1.1	
2008E Revenues	78.8		20.0		1.2	
2009E Revenues	78.6		20.0		1.4	
2010E Revenues	78.4		19.9		1.7	
2007E EBITDA	66.3		30.6		3.0	
2008E EBITDA	71.5		25.5		3.0	
2009E EBITDA	71.8		24.9		3.3	
2010E EBITDA	73.3		22.9		3.7	
2007E Net Income	63.4		32.9		3.8	
2008E Net Income	71.4		25.1		3.4	
2009E Net Income	73.6		22.9		3.4	
2010E Net Income	75.6		20.7		3.7	

**Pro Forma Transaction Analysis.** Bear Stearns performed a pro forma transaction analysis to assist the Bruker BioSciences special committee in analyzing the financial impact of the transaction on Bruker BioSciences. Bear Stearns reviewed and analyzed certain pro forma financial impacts of the transaction on holders of Bruker BioSciences based on the following, among other items:

- a purchase price of \$135 million;
- an assumption for analytical purposes that the trailing average price used to determine the number of Bruker BioSciences shares to be issued in the transaction would be \$4.95, the closing price of Bruker BioSciences on April 13, 2006;
- the financial projections provided to Bear Stearns by the management of Bruker BioSciences for both Bruker BioSciences and Bruker Optics;
- an assumption for analytical purposes that the combination of Bruker BioSciences and Bruker Optics would realize pre-tax potential synergies of \$2.3 million and \$2.7 million in 2007 and 2008, respectively (tax-effected at a 40% tax rate); and
- an assumption for analytical purposes that there would be no financial statement impact of potential restructuring costs or other one-time costs associated with the transaction and that the transaction was effective as of January 1, 2006.

The following table shows the projected per share accretion / (dilution) to Bruker BioSciences pro forma earnings including the projected synergies for the years presented.

	2006E	2007E	2008E
Accretion / (Dilution) to Bruker BioSciences Earnings per Share	\$ 0.07	\$ 0.08	\$ 0.07

**Miscellaneous.** The preparation of a fairness opinion is a complex process and involves various judgments and determinations as to the most appropriate and relevant assumptions and financial analyses and the application of those methods to the particular circumstances involved. Such an opinion is therefore not readily susceptible to partial analysis or summary description, and taking portions of the analyses set out above, without considering the analysis as a whole, would in the view of Bear Stearns, create an incomplete and misleading picture of the processes underlying the analyses considered in rendering the Bear Stearns opinion. Bear Stearns based its analysis on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors. Bear Stearns did not form an opinion as to whether any individual analysis or factor, whether positive or negative, considered in isolation, supported or failed to support the Bear Stearns opinion. In arriving at its opinion, Bear Stearns considered the results of all its analyses and did not attribute any particular weight to any one analysis or factor. Bear Stearns arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and believes that the totality of the factors considered and analyses performed by Bear Stearns in connection with its opinion operated collectively to support its determination as to the fairness of the consideration to be issued in the acquisition to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own Bruker Optics shares. The analyses performed by Bear Stearns, particularly those based on estimates and projections, are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses.

None of the public companies used in the comparable company analysis described above are identical to Bruker BioSciences or Bruker Optics, and none of the precedent transactions used in the precedent transactions analysis described above are identical to the acquisition. Accordingly, an analysis of publicly traded comparable companies and comparable precedent transactions is not mathematical; rather it



involves complex considerations and judgments concerning the differences in financial and operating characteristics of the companies and precedent transactions and other factors that could affect the value of Bruker BioSciences and Bruker Optics and the public trading values of the companies and precedent transactions to which they were compared. The analyses do not purport to be appraisals or to reflect the prices at which any securities may trade at the present time or at any time in the future.

The Bear Stearns opinion was just one of the many factors taken into consideration by the Bruker BioSciences special committee and the Bruker BioSciences board of directors. Consequently, Bear Stearns' analysis should not be viewed as determinative of the decision of the Bruker BioSciences special committee or of the Bruker BioSciences board of directors with respect to the fairness of the stock purchase agreement and the transactions contemplated by it, from a financial point of view, to Bruker BioSciences and the stockholders of Bruker BioSciences.

Pursuant to the terms of Bear Stearns' engagement letter, Bruker BioSciences has agreed to pay Bear Stearns a customary transaction fee, a substantial portion of which is payable upon consummation of the transactions contemplated by the stock purchase agreement. In addition, Bruker BioSciences has agreed to reimburse Bear Stearns for reasonable out-of-pocket expenses incurred by Bear Stearns in connection with its engagement and the transactions contemplated by the stock purchase agreement, including reasonable fees and disbursements of its legal counsel. Bruker BioSciences has agreed to indemnify Bear Stearns against certain liabilities arising out of or in connection with Bear Stearns engagement.

Bear Stearns has been previously engaged by Bruker BioSciences to provide certain investment banking and other services for which it received customary fees. In the ordinary course of business, Bear Stearns and its affiliates may actively trade the equity and debt securities and/or bank debt of Bruker BioSciences and its respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities or bank debt.

#### **Interests of Certain Directors and Executive Officers in the Acquisition**

In considering the recommendation of the board of directors of Bruker BioSciences to vote for the proposals to approve the acquisition of Bruker Optics and the issuance of shares of Bruker BioSciences common stock as part of the consideration for the Bruker Optics stock purchase, stockholders of Bruker BioSciences should be aware that some Bruker BioSciences executive officers and directors may have interests in the acquisition that may be different from, or in addition to, those of Bruker BioSciences stockholders.

Frank Laukien's half brother, Dirk D. Laukien, is the President of Bruker Optics and, following Bruker BioSciences' acquisition of Bruker Optics, will become a senior vice president of Bruker BioSciences. In connection with his new role, Dirk D. Laukien will also be granted 500,000 shares of Bruker BioSciences restricted common stock. In addition, immediately prior to the closing of the acquisition, Bruker Optics may make a one time \$2.5 million bonus payment to Dirk D. Laukien.

In addition, our chief executive officer and chairman of the board, Frank H. Laukien, and certain of his family members, including Dirk D. Laukien and Jörg Laukien, a member of our board of directors, own stock in both Bruker BioSciences and Bruker Optics. Dr. Laukien and his related family members own 98.63% of the shares of Bruker Optics being acquired by Bruker BioSciences. If the closing date were on May [ ], 2006, we would have issued [ ] shares of our common stock to the Bruker Optics stockholders based on a trailing average of \$[ ] per share and, following the acquisition, the family member stockholders of Bruker BioSciences would own, in the aggregate, approximately [ ]% of the outstanding shares of common stock of Bruker BioSciences.

As of May 8, 2006, the directors and executive officers of Bruker BioSciences beneficially owned 23,798,625 shares, including stock options exercisable within 60 days of May 8, 2006, representing approximately 26.4% of the outstanding shares of Bruker BioSciences common stock.

For additional information relating to affiliations of various Bruker BioSciences officers, directors and stockholders, you should read the section entitled "Certain Relationships and Related Party Transactions of Bruker BioSciences" beginning on page 69.

The Bruker BioSciences board of directors was aware of these interests during its deliberation of the merits of the acquisition and in determining to recommend to the stockholders of Bruker BioSciences that they vote for the proposal to approve the transactions contemplated by the stock purchase agreement, including the related issuance of shares of Bruker BioSciences common stock.

### **Completion and Effectiveness of the Acquisition**

The acquisition will be completed when and if all of the conditions to completion of the acquisition are satisfied or waived.

We are working toward completing the acquisition as quickly as possible. We expect to complete the acquisition during the third calendar quarter of 2006.

### **Structure of the Acquisition and Operations Post-Acquisition**

The transaction is structured so that Bruker BioSciences would purchase all of the outstanding stock of Bruker Optics from the Bruker Optics stockholders in a private placement. Consideration for the shares of Bruker Optics stock would consist of a combination of cash and shares of Bruker BioSciences common stock. Bruker BioSciences intends to operate Bruker Optics as a wholly-owned subsidiary alongside Bruker Daltonics and Bruker AXS.

### **Material United States Federal Income Tax Consequences of the Acquisition**

The acquisition will not result in any material U.S. federal income tax consequences for Bruker BioSciences stockholders.

### **Accounting Treatment of the Acquisition**

The acquisition represents a business combination of companies under common control due to the majority ownership of both companies by the five Laukiens as an affiliated stockholder group. As a result, the acquisition, as it relates to the shares owned by these affiliated stockholders, will be accounted for in a manner similar to a pooling-of-interest, or at historical carrying value. The acquisition of the shares of the non-affiliated stockholders will be accounted for using the purchase method of accounting, or at fair value, in a manner similar to acquisition of a minority interest.

### **Regulatory Matters**

We have summarized below the material regulatory requirements affecting the acquisition. Although we have not yet received the required approvals we discuss, we anticipate that we will receive regulatory approvals sufficient to complete the acquisition by the spring of 2006.

*Antitrust Considerations.* The acquisition is subject to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which prevents certain merger or acquisition transactions from being completed until required information and materials are furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission and specified waiting periods are terminated or expire. Bruker BioSciences and Bruker Optics filed the required information and

materials to notify the Department of Justice and the Federal Trade Commission of the acquisition on March 28, 2006. The applicable HSR waiting period expired at 11:59 pm on April 27, 2006.

The Antitrust Division of the Department of Justice or the Federal Trade Commission may challenge the acquisition on antitrust grounds, regardless of the fact that the waiting period expired without comment. Accordingly, at any time before or after the completion of the acquisition, either the Antitrust Division of the Department of Justice or the Federal Trade Commission could take action under the antitrust laws as it deems necessary or desirable in the public interest, or other persons could take action under the antitrust laws, including seeking to enjoin the acquisition or seeking the divestiture of substantial assets of one of the parties. Additionally, at any time before or after the completion of the acquisition, notwithstanding that the applicable waiting period expired or was terminated, a private party (including an individual state) may seek to take action under the antitrust laws as it deems necessary or desirable in the public interest. Although we do not expect any conditions to be imposed by the Antitrust Division or the Federal Trade Commission, there can be no assurance that a challenge to the acquisition will not be made or that, if a challenge is made, we will prevail.

#### **No Appraisal Rights**

There are no rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon under this proxy statement. Delaware law does not require that holders of Bruker BioSciences common stock who object to the share issuance and the transactions, and who vote against or abstain from voting in favor of the issuance and the transactions be afforded any appraisal or dissenters' rights or the right to receive cash for their shares.

#### **Foreign Regulatory Requirements**

Bruker BioSciences is not aware of any material foreign governmental approvals or actions that are required to complete the acquisition. Bruker BioSciences and Bruker Optics conduct operations in a number of foreign countries, some of which have voluntary and/or post-acquisition notification systems. Should any approval or action be required, Bruker BioSciences and Bruker Optics currently plan to seek the approval or take the action required. Failure to obtain the approval or take the action is not anticipated to have a material effect on the acquisition or on Bruker BioSciences.

#### **Restrictions on Sales of Shares Issued In Connection with the Acquisition**

The shares of Bruker BioSciences common stock to be issued in connection with the acquisition will not be registered under the Securities Act of 1933 and they will not be freely transferable under the Securities Act. Bruker Optics stockholders receiving shares of Bruker BioSciences common stock in the acquisition may sell these shares pursuant to any applicable exemption under the Securities Act except that, pursuant to the terms of the stock purchase agreement, they are prohibited from selling the shares for a period of one year after the closing date of the acquisition.

#### **THE STOCK PURCHASE AGREEMENT**

The following summary of the stock purchase agreement is qualified in its entirety by reference to the complete text of the stock purchase agreement, which is incorporated by reference and attached as Annex A to this proxy statement. We urge you to read the full text of the stock purchase agreement.

#### **General**

On April 17, 2006, Bruker BioSciences, Bruker Optics and the stockholders of Bruker Optics entered into a stock purchase agreement. Under the stock purchase agreement, Bruker BioSciences will purchase all of the outstanding shares of Bruker Optics for an aggregate purchase price of approximately

\$131.3 million, payable in cash and shares of Bruker Biosciences common stock. All Bruker Optics options, whether vested or unvested, will be cancelled and all option holders will receive cash payments totaling approximately \$3.7 million.

**Closing Date**

Unless the parties agree otherwise, the closing of the stock purchase will take place on the later of July 1, 2006 or the third business day following the satisfaction or waiver of all of the closing conditions.

**Purchase Price Payment**

The stock purchase agreement provides that Bruker BioSciences shall purchase all of the outstanding shares of Bruker Optics for an aggregate purchase price of \$131.3 million, which will be payable to the Bruker Optics stockholders pro rata in accordance with their respective ownership of the Bruker Optics common stock. At closing, an aggregate of approximately \$75.5 million will be paid in cash, and shares of Bruker BioSciences stock with a value of approximately \$55.8 will be issued to Bruker Optics stockholders.

The actual number of shares that will be issued to Bruker Optics stockholders will be determined based on the average of closing prices per share of Bruker BioSciences common stock on the Nasdaq National Market for a period of 10 consecutive trading days ending three days before the closing date, which is referred to as the trailing average. If the closing date were on May [ ], 2006, we would have issued [ ] shares of our common stock to the Bruker Optics stockholders based on a trailing average of \$[ ] per share. No fractional shares of Bruker BioSciences common stock will be issued in the acquisition.

The purchase price will be paid to Bruker Optics stockholders according to the following percentages:

Bruker Optics Stockholder	Cash		Bruker Biosciences Common Stock	
		%		%
Isolde Laukien	75	%	25	%
Jörg Laukien	50	%	50	%
Frank Laukien	20	%	80	%
Dirk Laukien	65	%	35	%
Marc Laukien	75	%	25	%
Robyn Laukien	50	%	50	%
Arno Simon	80	%	20	%
The Dirk D. Laukien Trust, dated June 1, 2000, FBO Leah Laukien	65	%	35	%

**Cancellation of Bruker Optics Stock Options**

The stock purchase agreement provides that at or prior to the closing, all options outstanding under the Bruker Optics stock option plan, whether or not exercisable or vested, will be canceled and each holder of Bruker Optics options will be entitled to receive a cash payment (less any required tax withholdings) equal to the product of (1) the excess, if any, of \$6.99740143712269 over the exercise price per share of the applicable option and (2) the number of shares of common stock of Bruker Optics issuable upon the exercise of such option. The aggregate amount payable to Bruker Optics option holders under the stock purchase agreement is \$3.7 million.

**Escrow**

*Working Capital Escrow.* At the closing, \$1.0 million of the cash purchase price will be placed into escrow as security for any potential adjustments to the purchase price that will be made if the net working capital of Bruker Optics as of the closing is less than \$9.0 million. If the net working capital of

Bruker Optics is less than \$9.0 million, then the difference shall be paid out of the working capital escrow, with any excess amounts to be paid directly by the sellers. The unused portion of the working capital escrow will be released to the sellers within 3 business days of the later of (1) the conclusion of the 20-day period following Bruker BioSciences' delivery to the sellers of an unaudited consolidated balance sheet of Bruker Optics and its subsidiaries as of the date of the closing or (2) the resolution of any disputes regarding the consolidated balance sheet that has been raised by the sellers.

*Indemnity Escrow.* At the closing, \$13.5 million of the cash purchase price will be placed into escrow as security for fulfillment by the sellers of their indemnification obligations set forth in the stock purchase agreement. The unused portion of the indemnity escrow will be released to the sellers within 3 business days of the later of (1) the 30<sup>th</sup> day following the receipt by Bruker BioSciences of the audited financial statements of Bruker Optics for the fiscal year ended December 31, 2006 or (2) the resolution of any claim for indemnification of which the sellers have received notice prior to the conclusion of the 30-day period described in clause (1) of this sentence.

### **Representations and Warranties**

The stock purchase agreement contains customary representations and warranties made by Bruker Optics and Bruker Optics stockholders to Bruker BioSciences, subject, in some cases, to specified exceptions and qualifications contained in the stock purchase agreement or in the disclosure schedule delivered in connection therewith.

The assertions embodied in those representations and warranties were made solely for purposes of the stock purchase agreement and may be subject to important qualifications and limitations. For example, many of Bruker Optics' representations and warranties are qualified by a Material Adverse Effect standard. For purposes of the stock purchase agreement, a Material Adverse Effect means, any circumstance, change or effect that, individually or in the aggregate with other circumstances, changes or effects, is or is reasonably likely to materially delay or impede the consummation of the transactions contemplated by the stock purchase agreement or be materially adverse to the business, operations (including results of operations), prospects, assets, liabilities, or financial condition of Bruker Optics and its subsidiaries taken as a whole; provided, however, that none of the following, either alone or in combination, shall be considered in determining whether there has been a Material Adverse Effect: (1) events, circumstances, changes or effects (including legal and regulatory changes) that generally affect the industries in which each of Bruker Optics and its subsidiaries operate, other than such events, circumstances, changes or effects that disproportionately affect (relative to other industry participants) Bruker Optics or its subsidiaries and (2) changes caused by a material worsening of current conditions caused by acts of terrorism or war occurring after the date of the stock purchase agreement.

Some of the representations and warranties in the stock purchase agreement may not be accurate or complete as of any specified date or may be subject to contractual standards of materiality that differ from the standards of materiality under U.S. federal securities laws. For the foregoing reasons, you should not rely on the representations and warranties as statements of factual information.

The representations and warranties regarding Bruker Optics and its subsidiaries made to Bruker BioSciences by Bruker Optics and its stockholders relate to, among other things:

- corporate organization, including due incorporation, good standing, corporate power and qualification to conduct business;
- authorization, execution, delivery and performance and the enforceability of the stock purchase agreement and related matters;
- capital structure;



- absence of conflicts with, or violations of, organizational documents or other obligations as a result of the consummation of the transactions contemplated by the stock purchase agreement;
- identification of required governmental filings and consents;
- absence of violations of any law, or necessity of any approval, as a result of the execution and delivery of, or consummation of the transactions contemplated by, the stock purchase agreement;
- compliance with applicable laws and permits;
- books and records;
- delivery and accuracy of financial statements;
- absence of undisclosed material liabilities;
- litigation matters;
- absence of a Material Adverse Effect and certain other material changes or events since December 31, 2005;
- disclosure of certain contracts;
- employee matters, employee benefit plans, employment agreements, matters relating to the Employee Retirement Income Security Act of 1974, as amended, and labor relations;
- absence of default under material contracts;
- absence of transactions with affiliates;
- accounts receivable;
- owned and leased property;
- environmental matters;
- tax matters;
- intellectual property matters;
- information technology matters;
- bank accounts;
- inventory;
- insurance policies; and
- no representation, warranty, statement or covenant made by Bruker Optics in the merger agreement contains an untrue statement of material fact or omits to state a material fact required to be stated in the merger agreement or

necessary to make the statements contained in the merger agreement not misleading.

In addition, each Bruker Optics stockholder made representations and warranties to Bruker BioSciences regarding:

- authorization, execution, delivery and performance and the enforceability of the stock purchase agreement and related matters;
- absence of conflicts with or violations of the stock purchase agreement or any ancillary agreements;
- litigation matters;

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- identification of required filings and consents;
- withholding tax;
- brokers and finders fees;
- beneficial ownership of Bruker Optics common stock;
- accredited investor representation; and
- acknowledgement of the restrictive legend to be placed on the certificates evidencing the shares of common stock of Bruker BioSciences to be received by the sellers at closing.

The representations and warranties regarding Bruker BioSciences made by Bruker BioSciences to the sellers relate to, among other things:

- corporate matters, including due organization, good standing, corporate power and qualification;
- capital structure;
- authorization, execution, delivery and performance and the enforceability of the stock purchase agreement and related matters;
- absence of conflicts with, or violations of, organizational documents or other obligations as a result of the consummation of the transactions contemplated by the stock purchase agreement;
- brokers and finders fees;
- accuracy of the information contained in all documents required to be filed with the SEC since January 1, 2004 and compliance with GAAP with respect to the consolidated financial statements filed with such documents;
- financial ability to consummate the acquisition; and
- investment and accredited investor representations.

#### **Covenants**

*Conduct of Bruker Optics Business.* During the period between the execution of the stock purchase agreement and the closing, the businesses of Bruker Optics and its subsidiaries must be conducted in the ordinary course of business consistent with past practice. Bruker Optics is obligated to, and the sellers are obligated to cause Bruker Optics to, use commercially reasonable efforts to preserve Bruker Optics material properties, assets and business organizations (including those of its subsidiaries). Specifically, Bruker Optics has agreed that, among other things and subject to certain exceptions, neither Bruker Optics nor any of its subsidiaries may, and the sellers have agreed to cause Bruker Optics and its subsidiaries not to, without Bruker BioSciences written consent:

- amend any of its organizational documents;
- liquidate, dissolve, recapitalize or otherwise wind up its business;
- make any distribution or declare, pay or set aside any dividend (in cash or property);

- split, combine, redeem, reclassify, purchase or otherwise acquire any equity interests or shares of capital stock of, or other equity or voting interest in, Bruker Optics or any subsidiary, or make any other changes in the capital structure of Bruker Optics or any of its subsidiaries;
- grant any person any right or option to acquire any shares of its capital stock;

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- enter into any agreement, understanding or arrangement with respect to the sale, voting, registration or repurchase of its capital stock;
- other than in the ordinary course of business, acquire or dispose of any interest in any corporation, partnership or other person or assets comprising a business or any other property or assets;
- other than in the ordinary course of business, sell, assign, pledge, dispose of, transfer, lease, license, guarantee or encumber, or authorize the sale, pledge, disposition, transfer, lease, license, guarantee or encumbrance of, any amount of property or assets;
- sell, assign, lease, license, transfer or otherwise dispose of, mortgage, pledge or encumber, any real property, or amend, terminate, modify or renew any real property lease;
- incur any indebtedness or issue any debt securities or assume, guarantee or endorse the obligations of any other person in excess of \$200,000 in the aggregate;
- cancel any third-party indebtedness owed to Bruker Optics;
- increase the rate or terms of compensation or benefits of any of its directors, managers, officers, employees, consultants, agents, independent contractors or other individual service providers, except for, among other things, a one time bonus in the amount of \$2.5 million to be paid to Dirk Laukien.
- hire any new employees except in the ordinary course of business whose total compensation exceeds \$100,000;
- pay or agree to pay any employee benefit not required or permitted by any existing employee benefit plan;
- enter into or amend any employment, bonus, severance or retirement contract, except for agreements for newly hired employees in the ordinary course of business with annual compensation not to exceed \$100,000;
- except as required to ensure that any benefit plan is not then out of compliance with applicable law, enter into or adopt any new, or increase benefits under or renew or amend any existing, benefit plan or benefit arrangement or any collective bargaining agreement;
- make any loans, advances or capital contributions (other than advances for travel and other normal business expenses to officers and employees) except in the ordinary course of business;
- commit to make any capital expenditure or fail to make capital expenditures consistent with past practice;
- fail to maintain all its assets in good repair and condition, except to the extent of wear or use in the ordinary course of business or damage by fire or other unavoidable casualty;
- make, revoke or change any tax election or change any tax accounting method, settle or compromise any tax liability, or waive or consent to the extension of any statute of limitations for the assessment and collection of any tax;
- except as may be required as a result of a change in applicable law or GAAP, change any accounting principles or practices;
- institute, settle or dismiss any action or claim threatened against, relating to or involving Bruker Optics or any of its subsidiaries in connection with any business, asset or property of Bruker Optics or any of its subsidiaries;

- enter into any large long-term contracts; or

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- fail to pay the accounts payable or other liabilities or fail to collect the accounts receivable or other indebtedness owed or take any action not consistent with past practices that is designed to accelerate or has the effect of accelerating the receipt of any amounts of cash earlier than such cash would have been realized consistent with past practices.

*Reasonable Best Efforts.* Bruker Optics and its stockholders and Bruker BioSciences have each agreed to cooperate with each other and use reasonable efforts to do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by the stock purchase agreement, including to use commercially reasonable efforts to obtain all consents and approvals of governmental authorities and third parties necessary to consummate the merger.

*Voting Agreement.* Bruker Optics stockholders that are also Bruker BioSciences stockholders have agreed to vote in their capacity as holders of shares of common stock of Bruker BioSciences in favor of the transactions contemplated by the stock purchase agreement.

*No Solicitation.* Bruker Optics has agreed to, and to cause its subsidiaries to, and Bruker Optics stockholders have agreed to, and to cause Bruker Optics and its subsidiaries to, cause each of its officers, managers, employees, subsidiaries, affiliates, agents and other representatives to, as of the execution of the stock purchase agreement, cease any existing discussions or negotiations with respect to any inquiry or proposal regarding the sale, consolidation, merger or other similar transaction regarding Bruker Optics and not to initiate any such discussions or negotiations (other than with Bruker BioSciences or its managers, officers, employees, subsidiaries, agents or other affiliates) concerning any such inquiry or proposal. The sellers and Bruker Optics are obligated to immediately disclose to Bruker BioSciences any such third party inquiries or proposals, including the terms of any such inquiries or proposals.

*Noncompetition.* For a period of five years from the closing date, Bruker Optics stockholders and their affiliates may not directly or indirectly, engage in, hold an interest in, own, manage, operate, control, direct, be connected with as a stockholder (other than as a holder of less than one percent (1%) of a publicly-traded security), joint venturer, partner, consultant or employee, or otherwise engage or participate in, provide services to or be connected in any manner with or assist in any way any entity, person or business that engages in a business involving the production or development of infrared, near-infrared or Raman spectroscopy, Fourier Transform Infrared Spectroscopy, which is referred to as FTIR, or applications thereof, provided that this restriction will not:

- apply to the nuclear magnetic resonance, electron paramagnetic resonance and magnetic resonance imaging businesses currently engaged in by Bruker BioSpin GmbH; or
- prohibit any seller from accepting employment with another company that utilizes FTIR technology so long as such seller does not directly manage the FTIR operations of such company or such FTIR operations account for less than ten percent (10%) of the overall revenues of such company.

*Restrictions on Sales.* Each seller is restricted from disposing of any shares of common stock of Bruker BioSciences acquired pursuant to the stock purchase agreement, or publicly announcing an intention to effect any such transaction, for a period of 365 days after the closing date.

*Access to Information.* Bruker Optics has agreed to allow Bruker BioSciences access to its properties, books, assets, records and personnel.





### Conditions to the Acquisition

The respective obligations of each party to effect the transactions contemplated by the stock purchase agreement are subject to the satisfaction, on or prior to the closing, of the following conditions, which may be waived by Bruker BioSciences or the sellers:

- the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired or been terminated and all necessary consents of any governmental authority required shall have been obtained; and
- there shall be no law in effect that restrains, enjoins or otherwise prevents the consummation of the transactions contemplated by the stock purchase agreement or any ancillary agreements.

The obligation of Bruker BioSciences to effect the transactions contemplated by the stock purchase agreement are subject to the satisfaction or waiver of the following conditions:

- the representations and warranties of the Bruker Optics stockholders (1) that are qualified as to materiality must be true and correct in all respects and (2) that are not qualified as to materiality must be true and correct in all material respects, in each case, between the time of the execution of the stock purchase agreement and as of the closing (other than representations and warranties that speak as of another specific date or time prior to the date of the execution of the stock purchase agreement, which need only be true and correct as of such date or time);
- all of the terms, covenants and conditions to be complied with and performed by the sellers on or prior to the closing shall have been complied with or performed in all material respects;
- the absence of any action, suit or proceeding pending or threatened by or before any governmental authority or by any other person to enjoin, restrain, prohibit or obtain damages in respect of any of the transactions contemplated by the stock purchase agreement or any ancillary agreement, or which would be reasonably likely to prevent or make illegal the consummation of the transactions contemplated by the stock purchase agreement;
- Bruker Optics must have provided Bruker BioSciences with a certification relating to certain tax matters;
- there shall not have occurred any events that have had, or are, individually or in the aggregate, reasonably likely to have a material adverse effect on Bruker Optics;
- Bruker BioSciences shall have received evidence, to its reasonable satisfaction, of the receipt of all requisite third-party and governmental consents;
- Bruker Optics and Bruker Biospin GmbH shall have entered into an amendment to the Exclusive Distribution Agreement, dated January 1, 2002, between Bruker Biospin and Bruker Optics, providing for the extension of the term such agreement for a period of 4 years.
- the approval of the transaction by the holders of at least a majority of the outstanding shares of common stock of Bruker BioSciences who are unaffiliated with Isolde Laukien, Jörg Laukien, Frank Laukien, Dirk Laukien and Marc Laukien, whether or not present or represented at the Annual Meeting; and
- the approval of the transactions contemplated by the stock purchase agreement by the holders of shares of capital stock of Bruker BioSciences representing at least a majority of the total votes cast at a duly held meeting of stockholders.



The obligation of the sellers to effect the transactions contemplated by the stock purchase agreement are subject to the satisfaction or waiver of the following conditions:

- the representations and warranties of Bruker BioSciences that (1) are qualified as to materiality must be true and correct in all respects and (2) are not qualified as to materiality must be true and correct in all material respects, in each case between the time of the execution of the stock purchase agreement and as of the closing (other than representations and warranties that speak as of another specific date or time prior to the date of the execution of the stock purchase agreement, which need only be true and correct as of such date or time);
- all of the terms, covenants and conditions to be complied with and performed by Bruker BioSciences on or prior to the date of the closing must have been complied with or performed in all material respects;
- the payment of the purchase price; and
- the deposit of the indemnity escrow and the working capital escrow.

#### **Indemnification**

Under the stock purchase agreement, the sellers are obligated to jointly and severally indemnify, defend and hold harmless Bruker BioSciences and any parent, subsidiary, associate, affiliate, director, manager, officer, stockholder, employee or agent thereof, and their respective representatives, successors and permitted assigns from and against and pay on behalf of or reimburse such party in respect of, as and when incurred, all losses which any such party may actually incur, suffer, sustain or become subject to or accrue, as a result of, in connection with, or relating to or by virtue of:

- any inaccuracy in, or breach of, any representation or warranty made by Bruker Optics or the sellers under the stock purchase agreement or any ancillary agreement (except with respect to certain representations regarding ownership of Bruker Optics shares, payment of withholding taxes, investment intent and transferability of the shares of Bruker Optics stock to be issued as consideration, each of which are made by each seller in its individual capacity), without giving effect to any limitations or qualifications as to materiality set forth within the stock purchase agreement;
- any breach or non-fulfillment of any covenant or agreement on the part of Bruker Optics or the sellers in respect of pre-closing covenants under the stock purchase agreement or any ancillary agreement;
- any fees, expenses or other payments incurred or owed by Bruker Optics or the sellers to any agent, broker, investment banker or other firm or person retained or employed by Bruker Optics or the sellers in connection with the transactions contemplated by the stock purchase agreement; or
- the manner in which Bruker Optik GmbH was established and, in connection therewith, the purchase by Bruker Optik GmbH of assets from Bruker Analytik GmbH.

*Limitations on Indemnification*

In general, the sellers are not obligated to indemnify Bruker BioSciences with respect to losses suffered by Bruker BioSciences resulting from a breach of any representations and warranties until the aggregate amount of the losses exceeds \$500,000, at which time the sellers will be obligated to indemnify Bruker BioSciences for the total amount of such losses. The sellers' representations and warranties shall survive the closing until the later of (1) the 30th day following the receipt by Bruker BioSciences of the audited financial statements of Bruker Optics for the fiscal year ended December 31, 2006 or (2) the resolution of any claim for indemnification of which the sellers have received notice prior to the conclusion of the 30-day period described in clause (2) of this sentence, except with respect to:

The following representations and warranties, which survive indefinitely:

- ownership of the shares of common stock of Bruker Optics;
- the capitalization of Bruker Optics and its subsidiaries;
- other interests; and
- no misleading statements.

The following representations and warranties, which survive for a period of three years:

- environmental;
- employee benefits; and
- proprietary rights.

The following representations and warranties, which survive for a period of sixty calendar days following the expiration of the applicable statute of limitations (including any extension thereof):

- withholding tax; and
- taxes and tax returns.

The sellers' aggregate indemnification obligations may not exceed \$13.5 million, other than with respect to indemnification for losses arising out of (i) criminal activity or fraud or (ii) breaches of the following representations and warranties:

- ownership of the shares of common stock of Bruker Optics;
- withholding tax;
- capitalization of Bruker Optics and its subsidiaries
- other interests;
- environmental;
- employee benefits;
- taxes and tax returns;

- proprietary rights; and
- no misleading statements.

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### **Termination of the Stock Purchase Agreement**

The stock purchase agreement may be terminated at any time prior to closing by the mutual written consent of Bruker BioSciences and the sellers. In addition, either Bruker BioSciences or the sellers may terminate the stock purchase agreement at any time prior to closing if:

- any governmental entity shall have issued an order permanently restraining, enjoining, or otherwise prohibiting the completion of the acquisition and such order is final and nonappealable; or
- the closing has not occurred by August 31, 2006, unless a breach of the stock purchase agreement by the party seeking termination is the cause of or results in the failure of the acquisition to be completed.

Bruker BioSciences may terminate the stock purchase agreement at any time prior to closing if:

- the trailing average is less than \$3.11; or
- the sellers or Bruker Optics breach any of their respective covenants, representations and warranties, or other agreements contained in the stock purchase agreement and such breach would give rise to the failure of a condition to Bruker BioSciences' obligation to complete the acquisition and such breach is not curable or, if curable, is not cured or waived within 20 calendar days after written notice of such breach has been delivered to the breaching party.

The sellers may terminate the stock purchase agreement at any time prior to closing if Bruker BioSciences breaches any of its covenants, representations and warranties, or other agreements contained in the stock purchase agreement and such breach would give rise to the failure of a condition to the sellers' obligation to complete the acquisition and such breach is not curable or, if curable, is not cured or waived within 20 calendar days after written notice of such breach has been delivered to Bruker BioSciences.

### **Expenses**

In general, expenses incurred in connection with the stock purchase agreement and the transactions contemplated thereby will be paid by the party incurring such expenses. Expenses incurred in connection with any filings required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as a result of the acquisition shall be paid by Bruker BioSciences with respect to its own filings and by Bruker Optics with respect to its and any seller's filings. In addition, Bruker BioSciences shall be responsible for the payment of all transfer, documentary, sales, use, registration and other such taxes incurred in connection with the transaction, including all applicable German and other real estate transfer or gains taxes and stock transfer taxes, which may exceed, in the aggregate, \$300,000.

### **Amendment and Waiver**

The stock purchase agreement may be amended by the parties at any time by written agreement. Either party may:

- extend the time for the performance of any of the obligations or other acts of the other parties;
- waive any inaccuracies in the representations and warranties contained in the stock purchase agreement or in any document delivered pursuant thereto;
- waive compliance with any of the agreements or conditions contained in the stock purchase agreement; or
- waive or modify the performance of any of the obligations of the other party to the stock purchase agreement.

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

The Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2006 and Statements of Operations for the three months ended March 31, 2006 and 2005 and for the years ended December 31, 2005, 2004 and 2003 include the historical consolidated statements of operations of the combined Bruker BioSciences and Bruker Optics, giving effect to the acquisition as if it had occurred on January 1, 2003. This information is only a summary, and you should read it in conjunction with the Bruker BioSciences historical consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the annual reports, quarterly reports and other information on file with the Securities and Exchange Commission and Bruker Optics historical consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere in this Proxy (see page 60). See WHERE YOU CAN FIND MORE INFORMATION on page 97.

Both Bruker BioSciences and Bruker Optics are majority owned by five affiliated stockholders. As a result, the acquisition of Bruker Optics by Bruker BioSciences is considered a business combination of companies under common control and will be accounted for in a manner similar to a pooling-of-interests. Accordingly, the acquisition of Bruker Optics, as it relates to the portion under common ownership (approximately 96%) will be accounted for at historical carrying values. The portion not under the common ownership of the five affiliated stockholders (approximately 4%) will be accounted for using the purchase method of accounting (at fair value) on a pro rata basis. Any excess purchase price of the interest not under common control over the fair value of the related net assets acquired will be accounted for as goodwill and intangible assets.

We have prepared the unaudited pro forma condensed combined financial statements based on available information, using assumptions that we believe are reasonable. These unaudited pro forma condensed combined financial statements are being provided for informational purposes only. They do not purport to represent our actual financial position or results of operations had the merger occurred on the dates specified nor do they project our results of operations or financial position for any future period or date.

The Unaudited Pro Forma Condensed Combined Statements of Operations do not reflect any adjustments for non-recurring items or anticipated synergies resulting from the acquisition. Pro forma adjustments are based on certain assumptions and other information that are subject to change as additional information becomes available. Accordingly, the adjustments included in our financial statements published after the completion of the acquisition may vary from the adjustments included in these unaudited pro forma condensed combined financial statements included in this proxy statement.

**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET  
AS OF MARCH 31, 2006**

	<b>Bruker BioSciences (in thousands)</b>	<b>Bruker Optics</b>	<b>Eliminations</b>	<b>Historical Combined</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma Combined</b>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 95,971	\$ 15,209	\$	\$ 111,180	\$ (59,208 )(3a)	\$ 51,972
Accounts receivable, net	55,579	12,110		67,689		67,689
Due from affiliated companies	2,983	2,870	(1,862 )(2a)	3,991		3,991
Inventories	101,569	23,376		124,945		124,945
Other current assets	14,010	3,139		17,149	(512 )(3f)	16,637
Total current assets	270,112	56,704				