BIOVERIS CORP
Form DEFM14A
May 21, 2007

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 þ
Filed by a Party other than the Registrant o
Check the appropriate box:

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

BIOVERIS CORPORATION

(Name of Registrant as Specified In Its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(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):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

BIOVERIS CORPORATION
16020 Industrial Drive
Gaithersburg, Maryland 20877
(301) 869-9800

May 21, 2007

To our Stockholders:

You are cordially invited to attend a special meeting of the stockholders of BioVeris Corporation (the Company) to be held at the Four Seasons Hotel, 2800 Pennsylvania Avenue, N.W., Washington, D.C. 20007 on Monday, June 25, 2007, beginning at 3:00 p.m., local time.

At the special meeting, you will be asked to consider and vote upon a proposal to approve the Agreement and Plan of Merger (merger agreement), dated as of April 4, 2007, among the Company, Roche Holding Ltd (Roche) and Lili Acquisition Corporation (Merger Sub), an indirect, wholly-owned subsidiary of Roche.

The merger agreement provides for, among other things, the merger of Merger Sub with and into the Company, with the Company continuing as the surviving corporation after the consummation of the merger and becoming an indirect, wholly-owned subsidiary of Roche. If the merger is completed, you will be entitled to receive $21.50 in cash, without interest, for each share of our common stock you own, unless you have properly exercised your appraisal rights.

Our board of directors has unanimously approved and declared advisable the merger, the merger agreement and the transactions contemplated by the merger agreement and has unanimously declared that the merger, the merger agreement and the transactions contemplated by the merger agreement are fair to, and in the best interests of, our stockholders. **Accordingly, our board of directors recommends that our stockholders vote FOR the approval of the merger agreement.**

The proxy statement attached to this letter provides you with information about the proposed merger and the special meeting. We encourage you to read the entire proxy statement carefully because it explains the proposed merger, the documents related to the merger and other related matters, including the conditions to the completion of the merger. You may also obtain more information about the Company from documents we have filed with the Securities and Exchange Commission.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED. ACCORDINGLY, WE URGE YOU TO VOTE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES, OR YOU MAY VOTE THROUGH THE INTERNET OR BY TELEPHONE AS DIRECTED ON THE ENCLOSED PROXY CARD. IF YOU RECEIVE MORE THAN ONE PROXY CARD BECAUSE YOU OWN SHARES THAT ARE REGISTERED DIFFERENTLY, PLEASE VOTE ALL OF YOUR SHARES SHOWN ON ALL OF YOUR PROXY CARDS.

Voting by proxy will not prevent you from voting your shares in person if you subsequently choose to attend the special meeting.

We look forward to seeing you at the special meeting.

Sincerely,

Samuel J. Wohlstadter
Chairman of the Board of Directors and Chief
Executive Officer
BioVeris Corporation

This proxy statement is dated May 21, 2007 and is first being mailed to stockholders on or about May 21, 2007.

Your vote is very important.

The merger cannot be completed unless the merger agreement is approved by the affirmative vote of the holders of a majority of the outstanding shares of our common stock and series B preferred stock, voting together as a single class, entitled to vote on the merger. If you fail to vote on the merger agreement, the effect will be the same as a vote against the approval of the merger agreement.

BIOVERIS CORPORATION
16020 Industrial Drive
Gaithersburg, Maryland 20877
(301) 869-9800

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON MONDAY, JUNE 25, 2007

TO THE STOCKHOLDERS:

The special meeting of stockholders of BioVeris Corporation, a company incorporated under the laws of Delaware (BioVeris or the Company), will be held on Monday, June 25, 2007, 3:00 p.m., local time, at the Four Seasons Hotel, 2800 Pennsylvania Avenue, N.W., Washington, D.C. 20007 in order to:

1. Consider and vote on a proposal to approve the Agreement and Plan of Merger, dated as of April 4, 2007, among the Company, Roche Holding Ltd and Lili Acquisition Corporation (merger agreement). A copy of the merger agreement is attached as Annex A to the accompanying proxy statement.

2. Approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the merger agreement.

3. Transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Only holders of record of shares of our common stock and series B preferred stock at the close of business on May 17, 2007, the record date for the special meeting, are entitled to notice of the meeting and to vote at the meeting and at any adjournment or postponement thereof. A list of stockholders will be available for inspection by stockholders of record during business hours at the Company s executive offices, 16020 Industrial Drive, Gaithersburg, Maryland 20877, for ten days prior to the date of the special meeting and will also be available at the special meeting. All stockholders of record are cordially invited to attend the special meeting in person.

Your vote is important, regardless of the number of shares of stock that you own. The approval of the merger agreement is conditioned on the affirmative vote of the holders of a majority of the outstanding shares of our common stock and series B preferred stock, voting together as a single class, that are entitled to vote at the special meeting. The proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of holders of a majority of the voting power present and entitled to vote.

We urge you to read the entire proxy statement carefully. Whether or not you plan to attend the special meeting, please vote by promptly completing the enclosed proxy card and then signing, dating and returning it in the postage-prepaid envelope provided so that your shares may be represented at the special meeting. Alternatively, you may vote your shares of stock through the Internet or by telephone, as indicated on the proxy card. Prior to the vote, you may revoke your proxy in the manner described in the proxy statement. Your failure to vote will have the same effect as a vote against the approval of the merger agreement.

Stockholders of the Company who do not vote in favor of the merger agreement will have the right to seek appraisal of the fair value of their shares if the merger is completed, but only if they perfect their appraisal rights by complying with all of the required procedures under Delaware law. See *Dissenters Rights of Appraisal* beginning on page 70 of the enclosed proxy statement and Annex C to the enclosed proxy statement.

By Order of Our Board of Directors,

Samuel J. Wohlstadter
Chairman of the Board of Directors and Chief
Executive Officer

May 21, 2007

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ANNEX B	Opinion of BioVeris Corporation s Financial Advisor
ANNEX C	Section 262 of Delaware General Corporation Law
ANNEX D	Amended and Restated Stockholders Agreement among Roche Holding Ltd, Samuel J. Wohlstadter and Nadine Wohlstadter, dated as of May 2, 2007
ANNEX E	Reconciliation of Non-GAAP Financial Measures

SUMMARY

The following summary highlights selected information from this proxy statement. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that item in this document.

Unless we otherwise indicate or unless the context requires otherwise, all references in this document to Company, we, our, and us refer to BioVeris Corporation and its subsidiaries; all references to Roche and Parent refer to Roche Holding Ltd; all references to Merger Sub refer to Lili Acquisition Corporation; all references to merger agreement refer to the Agreement and Plan of Merger, dated as of April 4, 2007, among the Company, Roche and Merger Sub, as it may be amended from time to time, a copy of which is attached as Annex A to this document; and all references to the merger refer to the merger contemplated by the merger agreement. All other capitalized terms used but not defined in this summary have the meanings ascribed to such terms in the merger agreement.

Parties to the Merger (page 13)

BioVeris Corporation. BioVeris Corporation is a global healthcare and biosecurity company developing proprietary technologies in diagnostics and vaccinology that is dedicated to the development and commercialization of innovative products and services for healthcare providers, their patients and their communities.

Roche. Roche Holding Ltd is a joint stock company organized under the laws of Switzerland. Roche is a holding company which, through its subsidiaries (collectively, the Roche Group), engages primarily in the development, manufacture, marketing and sales of pharmaceuticals, and diagnostics. The Roche Group is one of the world s leading research-based health care groups active in the discovery, development, manufacture and marketing of pharmaceuticals and diagnostics.

Lili Acquisition Corporation. Lili Acquisition Corporation is a Delaware corporation formed for the sole purpose of completing the merger with the Company. Merger Sub is an indirect, wholly-owned subsidiary of Roche. Merger Sub has not conducted any business other than in connection with the merger and other related transactions.

The Merger Agreement (page 45)

On April 4, 2007, the Company entered into a merger agreement with Roche and Merger Sub. Upon the terms and conditions of the merger agreement, Merger Sub will merge with and into the Company, with the Company as the surviving corporation. We will become an indirect, wholly-owned subsidiary of Roche. You will have no equity interest in the Company or Roche after the effective time of the merger. At the effective time of the merger, each share of our common stock, par value $0.001 per share (the Common Stock), including restricted stock awards, other than those held by the Company, Roche or Merger Sub and other than shares with respect to which appraisal rights have been properly exercised, will be cancelled and converted automatically into the right to receive $21.50 in cash, without interest and less any applicable withholding tax.

Certain Effects of the Merger (page 38)

If the merger is completed, you will be entitled to receive $21.50 in cash, without interest and less any applicable withholding taxes, for each share of Common Stock owned by you, unless you have exercised your statutory appraisal

rights with respect to the merger. As a result of the merger, the Company will cease to be an independent, publicly traded company. You will not own any shares of the surviving corporation.

The Special Meeting (page 13)

The special meeting will be held on Monday, June 25, 2007 starting at 3:00 p.m., local time at the Four Seasons Hotel, 2800 Pennsylvania Avenue, N.W., Washington, D.C. 20007.

Record Date and Quorum (page 14)

Stockholders of record at the close of business on Thursday, May 17, 2007 are entitled to notice of, and to vote at, the special meeting. The holders of the Common Stock and Series B Preferred Stock (Series B Preferred Stock) have one vote per share on all matters on which they are entitled to vote. On May 17, 2007 the outstanding voting securities consisted of 27,247,902 shares of Common Stock and 1,000 shares of Series B Preferred Stock. The presence at the special meeting, in person or by proxy, of the holders of a majority of the voting interests of all shares of our Common Stock and Series B Preferred Stock will constitute a quorum for the purpose of considering the proposals.

Required Vote (page 14)

For us to complete the merger, a simple majority of the outstanding shares of our Common Stock and Series B Preferred Stock entitled to vote at the special meeting, voting together as a single class, must vote FOR the approval of the merger agreement. Approval of the proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies requires the affirmative vote of a majority of the combined voting power of Common Stock and Series B Preferred Stock, present, in person or represented by proxy, at the special meeting and entitled to vote on the matter, whether or not a quorum is present.

Voting by Directors and Executive Officers (page 14)

As of May 17, 2007, the record date for the special meeting, our current directors and executive officers held, in the aggregate, 6,568,456 shares of our Common Stock (excluding options) representing approximately 24.1% of our outstanding Common Stock and 1,000 shares of our Series B Preferred Stock, representing 100% of our outstanding Series B Preferred Stock. Each of our directors and executive officers has informed us that he intends to vote all of his Common Stock or Series B Preferred Stock FOR the approval of the merger agreement.

Recommendation of the Company s Board of Directors (page 31)

After careful consideration, our board of directors, unanimously, (i) approved the merger agreement, including the merger and the other transactions contemplated thereby, (ii) determined that the terms of the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of the Company and our stockholders, (iii) recommends that our stockholders vote FOR adoption of the merger agreement and (iv) recommends that our stockholders vote FOR the approval of any proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies in the event that there are not sufficient votes in favor of approval of the merger agreement at the time of the special meeting.

Opinion of BioVeris Corporation s Financial Advisor (page 31 and Annex B)

Lehman Brothers, Inc. (Lehman Brothers) delivered its opinion to our board that, as of April 4, 2007, and based upon and subject to the qualifications and assumptions set forth therein, the $21.50 in cash per share to be received by the holders of Common Stock pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of the Lehman Brothers opinion dated April 4, 2007, is attached to this proxy statement as Annex B. We encourage stockholders to read Lehman Brothers opinion carefully and in its entirety. Lehman Brothers opinion was provided to our board of directors in connection with its consideration of the merger consideration and does not address any other aspect of the proposed merger and does not constitute a recommendation as to how you should vote on the merger or any matter relevant to the merger agreement.

Reasons for the Merger (page 26)

The merger will enable our stockholders to (1) immediately realize the value of their investment in the Company through their receipt of the per share merger consideration of $21.50 in cash, representing a

premium of approximately 58.1% to the $13.60 closing price of our Common Stock on NASDAQ Global Market (NASDAQ) on April 3, 2007, the last trading day before the announcement of the merger; (2) eliminate the risks and uncertainties associated with our future performance; and (3) eliminate the risks and uncertainties associated with our issues and disagreements with Roche regarding out-of-field sales.

For these reasons, and the reasons discussed under *The Merger Reasons for the Merger* beginning on page 26, the board has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, substantively and procedurally fair to, and in the best interests of the Company and its stockholders.

Company Options and Restricted Stock Awards (page 38)

In connection with the merger, each option to purchase our Common Stock outstanding immediately prior to the effective time of the merger will be fully vested and be cancelled in exchange for the right to receive a cash payment equal to the product of the number of shares subject to such option multiplied by the excess, if any, of (a) $21.50 per share over (b) the exercise price of such option, subject to applicable withholding tax. Each restricted stock award outstanding immediately prior to the effective time of the merger will be fully vested and be converted into the right to receive $21.50 in cash, without interest.

Restrictions on Solicitations (page 51)

We have agreed that we will not:

- solicit, initiate or knowingly encourage any inquiries or the making of any takeover proposal from a third party;

- participate in any discussions or negotiations regarding any takeover proposal or furnish any information concerning the Company and its subsidiaries to any third parties in connection with a takeover proposal;

- grant any waiver or release under any standstill or similar agreement with respect to any class of our equity securities; or

- enter into any agreement in principle, letter of intent, term sheet, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar instrument constituting or relating to a takeover proposal.

Notwithstanding these restrictions, the merger agreement provides that if we receive an unsolicited bona fide takeover proposal from a third party before the stockholder vote, which our board of directors determines in good faith is, or is reasonably likely to result in, a superior proposal, we may furnish non-public information to the third party making such superior proposal and engage or participate in discussions or negotiations with the third party making such superior proposal.

Conditions to the Merger (page 54)

Conditions to Each Party s Obligations. Each party s obligation to complete the merger is subject to the satisfaction or waiver of the following conditions:

- the approval of the merger by holders of a majority of the outstanding shares of our Common Stock and Series B Preferred Stock, voting together as a single class;

the termination or expiration of the Hart-Scott-Rodino Antitrust Improvements Act waiting period and the expiration or termination of the waiting period under the German Act against Restraints of Competition of 1958, as amended, or the approval of the German Federal Cartel Office;

the completion by the United States government of its review under the Exon-Florio Amendment to the Defense Production Act of 1950, and its conclusion not to suspend or prohibit the transaction, nor to take any action which would adversely affect, in any material respect, the Company or Roche s ability to operate or control the Company;

- the termination, within 60 days after the effective time of the merger, of agreements whereby we, or our subsidiaries, provide administrative or support services to entities that are affiliates of any of our officers or directors; and
- the absence of any injunctions or restraints prohibiting the closing of the merger.

Conditions to Roche s and Merger Sub s Obligations. The obligation of Roche and Merger Sub to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

- our representations and warranties must be true and correct as of the closing date as if made at and as of such time, except where the failure to be true and correct has not or would not reasonably be expected to have a material adverse effect (as defined below under *The Merger Agreement Representations and Warranties*); and
- our material compliance with our obligations under the merger agreement.

Conditions to BioVeris Obligations. Our obligation to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

- Roche s and Merger Sub s representations and warranties must be true and correct as of the closing date as if made at and as of such time, except for such matters as would not be expected to materially delay Roche s or Merger Sub s ability to consummate the transactions contemplated by the merger agreement;
- Roche s and Merger Sub s material compliance with their obligations under the merger agreement; and
- the absence of any legal prohibitions or restraints against the vaccines asset transfer agreement or the ECL asset transfer agreement.

Termination of the Merger Agreement (page 55)

The Company and Roche may agree to terminate the merger agreement without completing the merger at any time. The merger agreement may also be terminated in certain other circumstances, including:

- by either the Company or Roche if:
  - any legal prohibitions or restraints prohibiting the merger become final and non-appealable;
  - the merger has not been consummated by September 30, 2007 (or, under certain circumstances, December 31, 2007); or
  - our stockholders do not adopt the merger agreement at the special meeting or any adjournment or postponement thereof.
- by Roche if:
  - we materially breach or fail to perform any of our representations, warranties, covenants or agreements under the merger agreement which failure or non-performance would cause a condition to close to be unsatisfied and which cannot be cured by us prior to September 30, 2007 (or, under certain circumstances,

December 31, 2007); or

our board of directors withdraws or modifies (in a manner adverse to Roche) its recommendation that our stockholders adopt the merger agreement, or publicly recommends to stockholders a takeover proposal by a third party.

by the Company if:

Roche or Merger Sub materially breaches or fails to perform any of its representations, warranties, covenants or agreements under the merger agreement which failure or non-performance would cause a condition to close to be unsatisfied and which cannot be cured by them prior to September 30, 2007 (or, under certain circumstances, December 31, 2007); or

we concurrently enter into an acquisition agreement providing for a superior proposal.

Termination Fee (page 56)

We have agreed to pay a termination fee of $12 million to Roche if:

we terminate the merger agreement and concurrently enter into an acquisition agreement with a third party providing for a superior proposal; or

Roche terminates the merger agreement because our board withdraws or modifies (in a manner adverse to Roche) its recommendation to our stockholders to adopt the merger agreement or publicly recommends to our stockholders a takeover proposal by a third party.

We are also required to pay Roche the $12 million termination fee if the merger agreement is terminated by Roche or us because our stockholders do not approve the merger agreement at the stockholder s meeting, and prior to such termination, a takeover proposal by a third party was publicly announced or communicated to our board or stockholders and not terminated or withdrawn and, within six months of termination we enter into a definitive agreement or consummate a takeover proposal with a third party.

Government and Regulatory Approvals (page 43)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), and the rules promulgated thereunder by the Federal Trade Commission (FTC), the merger may not be completed until the notification and report forms have been filed with the FTC and the Antitrust Division of the Department of Justice (DOJ) and the applicable waiting period has expired or been terminated. We and Roche filed notification and report forms under the HSR Act with the Antitrust Division of the DOJ and the FTC on April 13, 2007. The HSR Act waiting period expired on May 14, 2007. In addition, the merger may not be completed until the expiration or termination of the waiting period under the German Act against Restraints of Competition of 1958, as amended, or we receive the approval of the merger by the German Federal Cartel Office. We are also required to notify the Italian Competition Authority of the merger, but there is no automatic bar on closing applicable under the Italian merger control regime. The filing with the German Federal Cartel Office was made on May 11, 2007, and the filing with the Italian Competition Authority was made on May 15, 2007.

The merger may also be subject to review by the governmental authorities of various other jurisdictions under the antitrust laws of those jurisdictions.

The merger will also require the completion by the United States government of its review under the Exon-Florio Amendment to the Defense Production Act of 1950. The Company and Roche jointly submitted a notice of the merger to the Committee on Foreign Investment in the United States (CFIUS) on May 15, 2007.

Material U.S. Federal Income Tax Consequences (page 41)

The merger will be a taxable transaction to you if you are a U.S. holder. Your receipt of cash in exchange for your Common Stock generally will cause you to recognize a gain or loss measured by the difference, if any, between the cash you receive in the merger and your adjusted tax basis in your Common Stock. Holders of Common Stock who are not U.S. holders may have different tax consequences than those described with respect to U.S. holders and are urged to consult their tax advisors regarding the tax treatment to them under U.S. and non-U.S. tax laws. You should also consult your tax advisor on the particular tax consequences of the merger to you, including the federal, state, local and/or non-U.S. tax consequences of the merger.

Interests of Certain Persons in the Merger (page 38)

In considering the recommendation of the board of directors, you should be aware that our directors and executive officers may have interests in the merger that are different from, or in addition to, your interests as a stockholder, and that may present actual or potential conflicts of interest.

You should note that Samuel J. Wohlstadter, our chairman and chief executive officer, has entered into a separate agreement with Roche pursuant to which, among other things, Roche has agreed to purchase his Series B Preferred Stock. In addition, Mr. Wohlstadter and other members of management of the Company

will be entitled to receive certain severance and change-in-control payments under the Company s termination protection program. Moreover, all outstanding options and restricted shares will become fully vested and will be cashed out in the merger.

In addition, in connection with the transaction, two newly formed entities established by Mr. Wohlstadter will purchase from the Company rights to certain intellectual property and related assets associated with our vaccines research and electrochemiluminescent (ECL) technology, and a non-exclusive limited license to use the ECL technology for certain limited purposes. These transactions with Mr. Wohlstadter were approved by a special committee of independent directors of our board of directors (the Special Committee) and by the full board of directors with Mr. Wohlstadter abstaining.

Stockholders Agreement (page 57)

Concurrently with the execution of the merger agreement, Roche entered into a stockholders agreement (which agreement was amended and restated on May 2, 2007) with Mr. Wohlstadter and his wife, Nadine Wohlstadter, in which they agreed to vote all of their shares of our Common Stock and Series B Preferred Stock in favor of the merger agreement. Mr. and Mrs. Wohlstadter collectively own approximately 19.3% of our outstanding Common Stock (excluding shares underlying options) and Mr. Wohlstadter owns 100% of the Series B Preferred Stock.

The stockholders agreement will terminate on the earlier of:

- the effective date of the merger;
- the termination of the merger agreement in accordance with its terms; or
- our board of directors changing its recommendation that the stockholders vote in favor of the merger unrelated to a takeover proposal.

A copy of the stockholders agreement is attached as Annex D to this proxy statement.

The Asset Transfer Agreements (page 58)

In connection with the execution of the merger agreement, two private limited liability companies controlled by Mr. Wohlstadter entered into agreements with the Company on April 4, 2007 to acquire certain of our assets.

32 Mott Street Acquisition I, LLC, a Delaware limited liability company (Vaccines Newco), has entered into an agreement with us (the vaccines asset transfer agreement) to acquire certain assets related to the research, development, manufacture, production, testing, sale, distribution and use of vaccines (the vaccines business) from us in exchange for $3,859,000, paid as follows (a) $1,000,000 to be paid at closing, (b) three annual payments of $50,000 to be paid on the first three anniversaries of the closing date and (c) a final payment of $2,709,000 to be paid on the earlier of the third anniversary of closing or the receipt of certain levels of financing by Vaccines Newco.

32 Mott Street Acquisition II, LLC, a Delaware limited liability company (ECL Newco), has entered into an agreement with us (the ECL asset transfer agreement) to acquire the ECL license (as described below), certain sublicenses and certain of our non-intellectual property assets related to the research, development, manufacture, production, testing, sale, distribution and use of certain small instruments that use ECL technology that are currently under development (the ECL business) by us in exchange for $2,718,000, paid as follows (a) $1,000,000 to be paid at closing, (b) three annual payments of $50,000 to be paid on the first three anniversaries of the closing date and (c) a final payment of $1,568,000 to be paid on the earlier of the third anniversary of closing or the receipt of certain levels

of financing by ECL Newco. In addition at the closing of the ECL asset transfer agreement, ECL Newco will pay us $779,000 in connection with certain severance obligations.

The payments made in connection with the vaccines asset transfer agreement and the ECL asset transfer agreement will be made to the Company and will not affect the consideration paid to you in connection with the merger. In addition, stockholders of the Company, other than Mr. Wohlstadter and his spouse, will not have any equity interest in Vaccines Newco or ECL Newco.

The transactions contemplated by the vaccines asset transfer agreement and the ECL asset transfer agreement (the asset transfer agreements) are conditioned upon, among other things, all of the conditions to the merger agreement, except for those which can only be satisfied at the closing of the merger agreement, being satisfied. The asset transfer agreements will terminate, if, among other things, the merger agreement is terminated.

In connection with the ECL asset transfer agreement, ECL Newco will enter into a related license agreement with the Company with respect to certain ECL technology (the ECL license), pursuant to which we will grant to ECL Newco a limited non-exclusive license, subject to certain restrictions, to use our ECL technology in connection with the ECL business.

Exchange and Payment Procedures (page 46)

As soon as practicable after the effective time of the merger, a paying agent designated by Roche, and reasonably acceptable to us, will mail a letter of transmittal and instructions to all of our stockholders of record. The letter of transmittal and instructions will tell you how to surrender your Common Stock certificates in exchange for the merger consideration, without interest. **You should not return any share certificates you hold with the enclosed proxy card, and you should not forward your stock certificates to the paying agent without a letter of transmittal.**

Market Prices of Company Common Stock (page 70)

Our Common Stock is listed on the NASDAQ under the trading symbol BIOV. The closing sale price of our Common Stock on April 3, 2007, which was the last trading day before the announcement of the execution of the merger agreement, was $13.60 per share. On May 18, 2007, which was the last trading day before the date of this proxy statement, our Common Stock closed at $21.33 per share.

Dissenters Rights of Appraisal (page 70 and Annex C)

Under Delaware law, if you take or refrain from taking certain specific actions, you are entitled to appraisal rights in connection with the merger. You will have the right, under and in full compliance with Delaware law, to have the fair value of your shares of our Common Stock determined by the Court of Chancery of the State of Delaware. This right to appraisal is subject to a number of restrictions and technical requirements. Generally, in order to exercise your appraisal rights you must:

- send a timely written demand to us at the address set forth on page 71 of this proxy statement for appraisal in compliance with Delaware law, which demand must be delivered to us before the stockholder vote to approve the merger set forth in this proxy statement;
- not vote in favor of the merger agreement; and
- continuously hold your Common Stock, from the date you make the demand for appraisal through the closing of the merger.

Merely voting against the merger agreement will not protect your rights to an appraisal, which requires all the steps provided under Delaware law. Requirements under Delaware law for exercising appraisal rights are described in further detail beginning on page 70. The relevant section of Delaware law, Section 262 of the Delaware General Corporation Law, regarding appraisal rights is reproduced and attached as Annex C to this proxy statement.

If you vote for the merger agreement, you will waive your rights to seek appraisal of your shares of Common Stock under Delaware law. This proxy statement constitutes our notice to our stockholders of the availability of appraisal rights in connection with the merger in compliance with the requirements of Section 262 of the Delaware General Corporation Law.

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a Company stockholder. Please refer to the Summary and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement, which you should read carefully. See *Where You Can Find Additional Information beginning on page 75.*

Q: What is the proposed transaction?

A: The proposed transaction is the acquisition of the Company by Roche pursuant to the merger agreement. Once the merger agreement has been adopted by our stockholders and other closing conditions under the merger agreement have been satisfied or waived, Merger Sub, an indirect, wholly-owned subsidiary of Roche, will merge with and into the Company. The Company will be the surviving corporation and become an indirect, wholly-owned subsidiary of Roche.

Q: What will I receive in the merger?

A: If the merger is completed, you will receive $21.50 in cash, without interest and less any required withholding taxes, for each share of our Common Stock that you own. For example, if you own 100 shares of our Common Stock, you will receive $2,150 in cash in exchange for your shares of Common Stock, less any required withholding taxes. You will not be entitled to receive shares in the surviving corporation.

Q: When and where is the special meeting?

A: The special meeting of the Company s stockholders will be held at 3:00 p.m., local time, on Monday, June 25, 2007, at the Four Seasons Hotel, 2800 Pennsylvania Avenue, N.W., Washington, D.C. 20007.

Q: What matters will I have the opportunity to vote on at the special meeting?

A: You will have the opportunity to vote:

FOR or AGAINST the approval of the merger agreement;

FOR or AGAINST the adjournment or postponement of the meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to adopt the merger agreement; and

to transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Q: How does the Company s board of directors recommend that I vote on the proposals?

A: Our board of directors recommends that you vote:

FOR the proposal to approve the merger agreement; and

FOR adjournment or postponement of the meeting, if necessary or appropriate, to solicit additional proxies.

You should read *The Merger Reasons for the Merger* beginning on page 26 for a discussion of the factors that our board of directors considered in deciding to recommend the approval of the merger agreement. See also *The Merger Interests of Certain Persons in the Merger* beginning on page 38.

Q: What effects will the proposed merger have on the Company?

A: As a result of the proposed merger, the Company will cease to be a publicly-traded company and will be wholly owned by Roche. You will no longer have any interest in our future earnings or growth. Following consummation of the merger, the registration of our Common Stock and our reporting obligations with respect to our Common Stock under the Securities Exchange Act of 1934, as amended (the Exchange Act), will be terminated upon application to the Securities and Exchange Commission (the SEC). In addition, upon completion of the proposed merger, shares of our Common Stock will no longer be listed on any stock exchange or quotation system, including NASDAQ.

Q: What happens if the merger is not consummated?

A: If the merger agreement is not approved by the Company s stockholders or if the merger is not consummated for any other reason, the Company s stockholders will not receive any payment for their shares in connection with the merger. Instead, the Company will remain a public company and shares of Common Stock will continue to be listed and traded on NASDAQ. Under specified circumstances, the Company may be required to pay Roche a termination fee, as described under the caption *The Merger Agreement Termination Fee* beginning on page 56.

Q: What vote of stockholders is required to approve the merger agreement?

A: For us to complete the merger, stockholders as of the close of business on the record date holding a majority of the outstanding shares of our Company Common Stock and Series B Preferred Stock, voting together as a single class, entitled to vote at the special meeting, must vote FOR the approval of the merger agreement.

Q: What vote of stockholders is required to adjourn or postpone the meeting, if necessary or appropriate, to solicit additional proxies at the special meeting?

A: The proposal to adjourn or postpone the meeting, if necessary or appropriate, to solicit additional proxies requires the approval of holders of a majority of the shares of Common Stock and Series B Preferred Stock, voting together as a class, entitled to vote and present, in person or by proxy, at the special meeting of stockholders.

Q: Who is entitled to vote?

A: Holders of our Common Stock and Series B Preferred Stock as of the close of business on Thursday, May 17, 2007, the record date for the special meeting, are entitled to receive notice of, attend and to vote at the special meeting. On the record date, approximately 27,247,902 shares of Common Stock, held by 153 stockholders of record, were outstanding and entitled to vote. On the record date, 1,000 shares of Series B Preferred Stock, held by our CEO, Mr. Wohlstadter, were outstanding and entitled to vote. You may vote all shares you owned as of the record date. You are entitled to one vote per share.

Q: What does it mean if I get more than one proxy card?

A: If you have shares of our Common Stock that are registered differently and are in more than one account, you will receive more than one proxy card. Please follow the directions for voting on each of the proxy cards you receive to ensure that all of your shares are voted.

Q: How do I vote without attending the special meeting?

A: If you are a registered stockholder (that is, if you hold shares of our Common Stock in certificated form), you may submit your proxy and vote your shares by returning the enclosed proxy card, marked, signed and dated, in the postage-paid envelope provided, or by telephone or through the Internet by following the instructions included with the enclosed proxy card.

If you hold your shares through a broker, bank or other nominee, you should follow the separate voting instructions, if any, provided by the broker, bank or other nominee with the proxy statement. Your broker, bank or other nominee may provide proxy submission through the Internet or by telephone. Please contact your broker, bank or other nominee to determine how to vote.

Q: How do I vote in person at the special meeting?

A: If you are a registered stockholder, you may attend the special meeting and vote your shares in person at the meeting by giving us a signed proxy card or ballot before voting is closed. If you want to do that, please bring proof of identification with you. Even if you plan to attend the meeting, we recommend that you vote your shares in advance as described above, so your vote will be counted if you later decide not to attend.

If you hold your shares through a broker, bank or other nominee, you may vote those shares in person at the meeting only if you obtain and bring with you a legal proxy from the necessary nominee giving you the right to vote the shares. To do this, you should contact your bank, broker or nominee.

Q: Can I change my vote?

A: You may revoke or change a proxy submitted to the Company at any time before it is voted, except as otherwise described below. If you have not voted through your broker, bank or other nominee because you are the registered stockholder, you may revoke or change your proxy before it is voted by:

filing a notice of revocation, which is dated a later date than your proxy, with the Company s Secretary;

submitting a duly executed proxy bearing a later date;

submitting a new proxy by telephone or through the Internet at a later time, but not later than 1:00 a.m. (Central Time) (2:00 a.m. Eastern Time) on June 25, 2007, or the day of the meeting, if the special meeting is adjourned or postponed; or

voting in person at the special meeting.

Simply attending the special meeting will not constitute revocation of a proxy. If your shares are held in street name, you should follow the instructions of your broker, bank or other nominee regarding revocation or change of proxies. If your broker, bank or other nominee allows you to submit a proxy by telephone or through the Internet, you may be able to change your vote by submitting a new proxy by telephone or through the Internet.

Q: If my shares are held in street name by my broker, bank or other nominee, will my nominee vote my shares for me?

A: Yes, but only if you provide instructions to your broker, bank or other nominee on how to vote. You should follow the directions provided by your broker, bank or other nominee regarding how to instruct your broker, bank or other nominee to vote your shares. Without those instructions, your shares will not be voted.

Q: Will I have appraisal rights as a result of the merger?

A: Yes. In order to exercise your appraisal rights, you must follow the requirements of Delaware law. A copy of the applicable Delaware statutory provision is included as Annex C to this proxy statement and a summary of this provision can be found under *Dissenters Rights of Appraisal* beginning on page 70 of this proxy statement. You will only be entitled to appraisal rights if you do not vote in favor of the merger and comply fully with certain other requirements of Delaware Law.

Q: Will a proxy solicitor be used?

A: Yes. The Company has engaged Georgeson Inc. (Georgeson) to assist in the solicitation of proxies for the special meeting and the Company estimates that it will pay them a fee of approximately $8,500, and will reimburse them for reasonable administrative and out-of-pocket expenses incurred in connection with the solicitation.

Q: Should I send in my stock certificates now?

A: No. Assuming the merger is completed, you will receive a letter of transmittal with instructions informing you how to send your share certificates to the paying agent, shortly thereafter, in order to receive the merger consideration, without interest. You should use the letter of transmittal to exchange the Company stock certificates for the merger consideration to which you are entitled as a result of the merger. **DO NOT SEND**

ANY STOCK CERTIFICATES WITH YOUR PROXY.

Q: Who can help answer my other questions?

A: If you have more questions about the special meeting or the merger, you should contact our proxy solicitor:

Georgeson Inc.
17 State Street, 10th Floor
New York, New York 10004
Banks and Brokers Call: (212) 440-9800
All Others Call Toll Free: (866) 580-6733

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement, and the documents to which we refer you in this proxy statement, contains forward-looking statements within the meaning of the federal securities laws that relate to future events. All statements in this proxy statement, and the documents to which we refer you in this proxy statement, that are not historical facts, including any statements about the markets, potential markets, market growth, and the proposed merger transaction with Roche, are hereby identified as forward-looking statements. There are forward-looking statements throughout this proxy statement, including, among other things, under the headings *Summary, The Merger, The Merger Opinion of BioVeris Corporation s Financial Advisor, Projected Financial Information* and in statements containing the words may, should, would, will, expect, could, anticipate, believe, estimate, plan, intend, co similar expressions. In the proxy statement, the Company has based these forward-looking statements on management s current expectations, estimates and projections and they are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. Such forward-looking statements should, therefore, be considered in light of various important factors, including:

changes in our strategy and business plan, including our plans for vaccines, the clinical diagnostics, biosecurity, life science and industrial markets and other healthcare opportunities;

our ability to develop and introduce new or enhanced products;

our ability to enter into new collaborations on favorable terms, if at all;

our ability to expand the distribution and increase sales of existing products;

changes in customer demand, the timing of significant orders or the demand for rapid testing products in each of our markets;

our ability to expand our manufacturing capabilities or find a suitable manufacturer on acceptable terms or in a timely manner;

our ability to develop our selling, marketing and distribution capabilities;

our and our licensees ability to obtain approvals from the U.S. Food and Drug Administration and other governmental approvals for our and their clinical testing products or for vaccine products, including regulatory changes, uncertainties or delays;

the ability of our licensees to effectively develop and market products based on the technology we license from them;

our ability to win competitively awarded government contracts in the future and retain existing government contracts;

domestic and foreign governmental and public policy changes, particularly related to healthcare costs and biosecurity funding, that may affect new investments and purchases made by our customers;

competition from companies with greater financial and capital resources than ours;

availability of financing and financial resources in the amounts, at the times and on the terms required to support our future business;

our dependence on a limited number of suppliers for materials used in the manufacturing of our products;

rapid technological developments in each of our markets and our ability to respond to those changes in a timely, cost-effective manner;

any potential future disagreements with Roche regarding out-of-field sales under the Roche License;

our ability to receive payment over time from Meso Scale Technologies, LLC (MST) from the sale of our interests in Meso Scale Diagnostics (MSD);

protection and validity of our patent and other intellectual property rights and the scope of third party patent rights;

relationships between us and certain companies with which we are affiliated; and

changes in general economic, business and industry conditions.

The foregoing sets forth some, but not all, of the factors that could impact our ability to achieve results described in any forward-looking statements. A more complete description of the risks applicable to us is provided in the our filings with the SEC available at the SEC s web site at http://www.sec.gov. Investors are cautioned not to place undue reliance on these forward-looking statements. Investors also should understand that it is not possible to predict or identify all risk factors and that neither this list nor the factors identified in our SEC filings should be considered a complete statement of all potential risks and uncertainties. We have no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this proxy statement.

THE PARTIES TO THE MERGER AGREEMENT

BioVeris Corporation

BioVeris is a global healthcare and biosecurity company developing proprietary technologies in diagnostics and vaccinology. We are dedicated to the development and commercialization of innovative products and services for healthcare providers, their patients and their communities. Our principal executive offices are located at 16020 Industrial Drive, Gaithersburg, Maryland 20877, and our telephone number is (301) 869-9800.

For more information about BioVeris, please visit our website at www.bioveris.com. The information provided on our website is not part of this proxy statement, and therefore is not incorporated by reference. See also *Where You Can Find Additional Information* beginning on page 75. Our Common Stock is publicly traded on the NASDAQ under the symbol BIOV.

Roche Holding Ltd

Roche Holding Ltd is a joint stock company organized under the laws of Switzerland. Roche is a holding company which, through its subsidiaries (collectively, the Roche Group), engages primarily in the development, manufacture, marketing and sales of pharmaceuticals and diagnostics. The Roche Group is one of the world s leading research-based health care groups active in the discovery, development, manufacture and marketing of pharmaceuticals and diagnostics. Roche s principal executive offices are located at Grenzacherstrasse 124, CH-4070 Basel, Switzerland, and its phone number is +41-61-688-1111.

Lili Acquisition Corporation

Lili Acquisition Corporation, which we refer to as Merger Sub, is a Delaware corporation and an indirect, wholly-owned subsidiary of Roche, organized solely for the purpose of entering into the merger agreement with the Company and completing the merger. Lili Acquisition Corporation was incorporated on March 13, 2007, and has not conducted any business operations except for activities incidental to its formation and as contemplated by the merger agreement. Lili Acquisition Corporation s principal executive offices are currently located at 1220 N. Market Street, Suite 334, Wilmington, Delaware 19801-2535, and its phone number is (302) 425-4701. Upon consummation of the proposed merger, Merger Sub will cease to exist and BioVeris will continue as the surviving corporation.

THE SPECIAL MEETING

Time, Place and Purpose of the Special Meeting

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting to be held on Monday, June 25, 2007, starting at 3:00 p.m., local time, at the Four Seasons Hotel, 2800 Pennsylvania Avenue, N.W., Washington, D.C. 20007, or at any postponement or

adjournment thereof. The purpose of the special meeting is for our stockholders to consider and vote upon a proposal to approve the merger agreement, approve the adjournment or postponement of the meeting, if necessary or appropriate, to solicit additional proxies, and to act on such other matters and transact such other business, as may properly come before the meeting. Our stockholders must adopt the merger

agreement in order for the merger to occur. If the stockholders fail to adopt the merger agreement, the merger will not occur. A copy of the merger agreement is attached to this proxy statement as Annex A. This proxy statement, the notice of the special meeting and the enclosed form of proxy are first being mailed to our stockholders on or about May 21, 2007.

Record Date, Quorum and Voting Power

Stockholders of record at the close of business on Thursday, May 17, 2007 are entitled to notice of, and to vote at, the special meeting. On May 17, 2007, the outstanding voting securities consisted of 27,247,902 shares of Common Stock and 1,000 shares of Series B Preferred Stock.

The holders of our Common Stock and Series B Preferred Stock are entitled to one vote per share on all matters on which they are entitled to vote.

A quorum of holders of our voting interests must be present for the special meeting to be held. Holders of a majority of the voting interests of all shares of Common Stock and Series B Preferred Stock issued, outstanding, and entitled to vote at the special meeting will constitute a quorum for the purpose of considering the proposals. Both abstentions and broker non-votes are counted for the purpose of determining the presence of a quorum.

Required Vote

For us to complete the merger, holders of a majority of the outstanding shares of our Common Stock and Series B Preferred Stock, voting together as a single class, entitled to vote at the special meeting, must vote FOR the approval of the merger agreement. The proposal to adjourn or postpone the meeting, if necessary or appropriate, to solicit additional proxies requires the approval of holders of a majority of the Common Stock and Series B Preferred Stock, voting together as a single class, present, in person or by proxy at the meeting and entitled to vote.

In order for your Common Stock to be included in the vote, if you are a registered stockholder (that is, if you hold your Common Stock in certificated form), you must submit your proxy and vote your shares by returning the enclosed proxy, marked, signed and dated, in the postage prepaid envelope provided, or by telephone or through the Internet, as indicated on the proxy card, or you may vote in person at the special meeting.

Brokers who hold shares in street name for customers have the authority to vote on routine proposals when they have not received instructions from beneficial owners. However, brokers are precluded from exercising their voting discretion with respect to the approval of non-routine matters such as the adoption of the merger agreement and, as a result, absent specific instructions from the beneficial owner of such shares, brokers are not empowered to vote those shares. Abstentions and broker non-votes, if any, will be treated as shares that are present and entitled to vote at the special meeting for purposes of determining whether a quorum exists. **Because adoption of the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of our Common Stock and Series B Preferred Stock, voting together as a single class, failures to vote, abstentions and broker non-votes, if any, will have the same effect as votes AGAINST adoption of the merger agreement.**

Voting by Directors and Executive Officers

As of Thursday, May 17, 2007, the record date, our current directors and executive officers held and are entitled to vote, in the aggregate, 6,568,456 shares of Common Stock (excluding options) representing approximately 24.1% of the outstanding Company Common Stock and 1,000 shares of our Series B Preferred Stock, representing 100% of the outstanding Series B Preferred Stock. Each of our directors and executive officers has informed us that he intends to vote all of his shares FOR the approval of the merger agreement and FOR the adjournment or postponement of the

special meeting, if necessary or appropriate, to solicit additional proxies.

Proxies; Revocation

If you vote your shares of Common Stock by returning a signed proxy card by mail, or through the Internet or by telephone as indicated on the proxy card, your shares will be voted at the special meeting in accordance with the instructions given. If no instructions are indicated on your signed proxy card, your shares will be voted FOR the approval of the merger agreement, FOR adjournment or postponement of the meeting, if necessary or appropriate to solicit additional proxies, and in accordance with the recommendations of our board of directors on any other matters properly brought before the special meeting for a vote.

If your shares are held in street name, you should follow the instructions of your broker, bank or other nominee regarding revocation or change of proxies. If your broker, bank or other nominee allows you to submit a proxy by telephone or through the Internet, you may be able to change your vote by submitting a new proxy by telephone or through the Internet.

You may revoke or change your proxy at any time before the vote is taken at the special meeting, except as otherwise described below. If you have not voted through your broker, bank or other nominee because you are the registered stockholder, you may revoke or change your proxy before it is voted by:

- filing a notice of revocation, which is dated a later date than your proxy, with the Company s Secretary at 16020 Industrial Drive, Gaithersburg, Maryland 20877;
- submitting a duly executed proxy bearing a later date;
- submitting a new proxy by telephone or through the Internet at a later time, but not later than 1:00 a.m. (Central Time) (2:00 a.m. Eastern Time) on June 25, 2007 or the day of the meeting date, if the special meeting is adjourned or postponed; or
- by attending the special meeting and voting in person (simply attending the meeting will not constitute revocation of a proxy; you must vote in person at the meeting).

We do not expect that any matter other than the proposal to approve the merger agreement and, if necessary, the proposal to adjourn or postpone the special meeting, will be brought before the special meeting. If, however, such a matter is properly presented at the special meeting or any adjournment or postponement of the special meeting, the persons appointed as proxies will have discretionary authority to vote the shares represented by duly executed proxies in accordance with their discretion and judgment.

Please do NOT send in your share certificates with your proxy card. If the merger is completed, stockholders will be mailed a transmittal form following the completion of the merger with instructions for use in effecting the surrender of certificates in exchange for the merger consideration.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies. Any adjournment may be made without notice (if the adjournment is not for more than 30 days), other than by an announcement made at the special meeting. If a quorum exists, then holders of a majority of the votes of the Company Common Stock and Series B Preferred Stock, voting together as a single class, present at the meeting, either in person or by proxy, and entitled to vote in person or represented by proxy at the special meeting may adjourn

the special meeting. Alternatively, if no quorum exists, then the chairman or a majority in interest of the stockholders present at the special meeting may adjourn the special meeting. Any signed proxies received by the Company will be voted in favor of an adjournment in these circumstances, although a proxy voted AGAINST the proposal for the adjournment or postponement of the special meeting will not be voted in favor of an adjournment for the purpose of soliciting additional proxies. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow the Company stockholders who have already sent in their proxies to revoke them prior to their use at the special meeting, reconvened following such adjournment or postponement, in the manner described above. Broker non-votes, if any, will not have any affect on the adjournment or postponement of the special meeting and abstentions, if any, will have the same effect as a vote AGAINST the adjournment or postponement of the special meeting.

Questions and Additional Information

If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor:

Georgeson Inc.
17 State Street, 10th Floor
New York, New York 10004
Banks and Brokers Call: (212) 440-9800
All Others Call Toll Free: (866) 580-6733

Expenses of Proxy Solicitation

The expenses of preparing, printing and mailing this proxy statement and the proxies solicited hereby will be borne by the Company. Additional solicitation may be made by telephone, facsimile, e-mail, in person or other contact by certain of our directors, officers, employees or agents, none of whom will receive additional compensation therefor. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses for forwarding material to the beneficial owners of shares held of record by others. We have also engaged Georgeson to assist in the solicitation of proxies for the meeting and we estimate that we will pay them a fee of approximately $8,500, and will reimburse them for reasonable administrative and out-of-pocket expenses incurred in connection with such solicitation.

THE MERGER

This discussion of the merger is qualified in its entirety by reference to the merger agreement, which is attached to this proxy statement as Annex A. You should read the entire merger agreement carefully as it is the legal document that governs the merger.

Background of the Merger

On February 13, 2004, IGEN International, Inc. (IGEN) and Roche consummated a merger and certain related transactions (the IGEN Transaction) pursuant to which Roche acquired IGEN. The Company was spun-off from IGEN and became an independent, publicly-traded company on February 17, 2004.

At the time of the IGEN Transaction, the Company granted Roche a worldwide, non-exclusive, royalty-free license to patents and information relating to its proprietary ECL technology, subject to certain limitations (the Roche License). The license allows Roche to commercially exploit certain ECL products for use in specified fields (including certain clinical uses) on a royalty-free basis. Pursuant to the Roche License, Roche agreed to pay the Company 65% of revenues earned through out-of-field sales. The specified field under the Roche License specifically did not include (a) analyses for life science research and development, including at any pharmaceutical company or biotechnology company, (b) patient self testing use, (c) drug discovery and/or drug development (including at any pharmaceutical company or biotechnology company), including clinical research or determinations in or for clinical trials or in the regulatory approval process for a drug therapy, or (d) veterinary, food, water, or environmental testing or use. The Company s right to terminate the license is restricted except under certain circumstances.

In conjunction with the IGEN Transaction, the Company made a capital contribution to MSD of $37.5 million. MSD was a joint venture between the Company and MST, a company controlled by Mr. Jacob Wohlstadter, the son of

Mr. Wohlstadter, the Company s CEO. In connection with the IGEN Transaction, Mr. Wohlstadter, at the request of the board of directors of IGEN, contributed $7.5 million to the Company in exchange for 1,000 shares of its Series B Preferred Stock, which amounts were used to fund a portion of the $37.5 million capital contributions made to MSD. The Series B Preferred Stock is entitled to receive dividends based on a portion of any distributions paid to the Company by MSD in respect of the Company s Class C interest in MSD. In connection with the termination of the Company s joint venture arrangement with MST and the resolution of certain disputes with MST, MSD and Mr. Jacob Wohlstadter, in December, 2004, the

Company sold its interest in MSD to MST, for approximately $9.9 million, which amount is to be paid over time based upon MSD s net sales and debt or equity financing.

In 2005, the Company began to suspect, among other things, that Roche was selling ECL products to customers who were using the products outside the permitted fields of use. Representatives from the Company and Roche had numerous discussions during the latter half of 2005 to discuss, among other things, the evaluation of out-of-field sales and how to meet the needs of these customers, including through individual licenses or certain assay supply arrangements for customers in non-clinical markets.

In January 2006, Roche informed the Company that it had preliminarily estimated its 2005 worldwide out-of-field sales to be $2.4 million for single-use customers resulting in a $1.5 million fee due to the Company. Roche also informed the Company of its view that it did not owe the Company any amounts with respect to 2004 sales. The Company retained consultants, including L.E.K. Consulting LLP, to attempt to assess the level of out-of-field sales by conducting interviews of customers regarding their usage of their immunoassay instruments for, among other things, research and clinical trials. Although highly dependent on numerous assumptions, including the type and location of Roche s customers, the Company preliminarily estimated that the fee due from Roche for such out-of-field sales could exceed $30 million annually. After several discussions between the Company and Roche, the Company notified Roche that it disagreed with Roche s estimate of out-of-field sales for both 2004 and 2005 and Roche and the Company began a formal review of Roche s ECL sales for 2005 as provided for in the Roche License.

Pursuant to the Roche License in May 2006, the Company and Roche jointly engaged Ernst & Young LLP as the independent field monitor to review placements and sales of products and services by Roche in 2005. The field monitor was tasked with preparing a written report, including a list of any sales or placements of products and services that were not within the licensed field and identifying sales or placements of products or services in violation of the license grant. It was later confirmed that the field monitor s review was expected to continue through April 2007, unless the process was terminated early either by the Company or Roche.

On July 20 and September 4, 2006, the Company and Roche discussed a number of possible resolutions to the out-of-field sales dispute. At the September 4, 2006 meeting, Roche first indicated to the Company that it would consider a potential acquisition of the Company to resolve the matter.

On September 12, 2006, at the annual meeting of the board, presentations were made to the Company s directors regarding Roche s proposed resolutions. Our management presented an update on the status of ongoing discussions with Roche regarding a resolution of the out-of-field sales issues, including, among others, a review of recent meetings with representatives of Roche and a proposed transaction structure. Dechert LLP and Wilmer Cutler Pickering Hale and Dorr LLP, the Company s outside counsel, addressed the board in detail as to the obligations of the board under securities rules, fiduciary duties and corporate disclosure issues. Representatives of Lehman Brothers made a presentation to the board in connection with Lehman Brothers evaluation of a potential transaction with Roche.

In response to Roche s expression of interest and in anticipation of future discussions regarding a potential transaction, on September 13, 2006, the Company entered into a confidentiality agreement with Roche to enable the Company to share information with Roche regarding a potential transaction. Among other provisions, the confidentiality agreement extended, until September 13, 2009, the standstill provision in Section 3.10 of the Post-Closing Covenants Agreement between Roche and the Company, dated as of July 24, 2003, which, among other things, prevents Roche and its affiliates from submitting an acquisition proposal, from acquiring stock of the Company or participating in a proxy solicitation without the Company s consent.

On September 19, 2006, the Company expanded its engagement with Lehman Brothers to specifically include serving as its financial advisor in connection with a potential transaction with Roche. As part of its engagement, Lehman Brothers agreed to render an opinion to the board with respect to the fairness to the Company s common stockholders, from a financial point of view, of the consideration to be offered in a transaction with Roche, if requested to do so by the Company.

On October 9, 2006, the Company and Roche met to discuss a potential transaction, including possible structures. Roche explained its preference was that the transaction be structured as a license that would give

Roche freedom to sell their instruments for clinical trials and research purposes. Roche also expressed concern over assuming responsibility for certain existing obligations of the Company to MSD. Regardless of the structure of the transaction, Roche indicated that it did not attribute any value to the Company s vaccine business. Although potential value ranges for a purchase of the entire Company were discussed, Roche indicated that the value would depend on the structure of the transaction. A representative of Lehman Brothers outlined the basis for the Company s view of its valuation compared to the market price of the Company. On October 17, 2006, the Company sent Roche a letter outlining a structure involving a spin-off of certain assets in conjunction with the acquisition of the Company by Roche through a cash merger, as well as the Company s general views on valuation parameters for the Company. In November 2006, Roche sent the Company a letter responding to Lehman s analysis and to the Company s proposed structure and indicating a preference for a fully paid-up license but a willingness to discuss all options. The letter also contained Roche s assessment of the factors that it believed would affect the value of the Company. The Company believed that these factors would point to a value that was significantly lower than the Company s view on valuation.

During this period of time, the Company continued to pursue, without success, discussions with other large diagnostic companies to determine if such companies would be interested in a potential transaction involving the ECL technology. For some time, the Company had also been in discussions with representatives of MSD to address various issues between the Company and MSD under their existing arrangements, including regarding the transfer of equipment, sharing of space, amounts owed by MSD to the Company and transfer of data. In addition, the Company was determining if it was possible to eliminate certain existing contractual relationships with MSD. After Roche raised additional concerns and the need for clarifications regarding certain existing agreements between the Company and MSD, the Company added these issues to its discussion with MSD. Subsequently, MSD indicated that it would seek certain concessions from the Company in exchange for agreeing to certain of the requested clarifications and modifications.

On November 7, 2006, the Company demanded that Roche make a payment to the Company for 65% of all revenues earned through out-of-field sales or placements during 2004. On the same date, the Company notified Roche that it was exercising its right under the Roche License to have an independent certified public accountant review Roche s business records for 2004 and 2005, including sales records, accounting records and accounts of all uses of licensed ECL technology. The Company subsequently retained PriceWaterhouseCoopers (PwC) to perform that review. The Company also notified Roche of its desire to engage a field monitor to review Roche s sales, placements, and compliance for the 2006 calendar year. Disputes subsequently arose between Roche and the Company concerning both of these processes, which led the Company to invoke the dispute resolution process under the Roche License to seek to resolve the issues of who should serve as the field monitor for 2006 and the proper scope of the review being conducted by PwC.

On December 1, 2006, the Company engaged Skadden, Arps, Slate, Meagher & Flom LLP (Skadden) to represent the Company in connection with a review of certain strategic alternatives, including a possible sale of the Company. On December 1, 2006, representatives from both companies met to discuss varying aspects of a potential transaction, including the parties significantly different views as to valuation. During the course of December, the Company continued to pursue its rights for fees due under the Roche License for 2004, 2005 and 2006.

On December 11, 2006, the board met and again discussed the Company s ongoing discussions with Roche regarding potential resolutions of the out-of-field sales dispute, including a potential transaction with Roche. The board directed management to continue discussions with Roche on a potential transaction to resolve outstanding matters.

On December 22, 2006, the Company received a preliminary non-binding proposal from Roche to purchase, by tender offer, all of the Company s outstanding common shares for $14.25 per share, or approximately $400.7 million in the aggregate, representing a premium of 13.2% over the closing price of $12.59 for the Company s stock on December 21, 2006. Roche s letter also indicated that it would make a payment to the holders of the Company s

Series B Preferred Stock equal to the discounted pro rata share of payments from the sale of the Company s Class C interest in MSD to which the Series B Preferred Stock is entitled. Roche further noted that a tender offer would not include a sale or other disposition of any of the

Company s assets, although such a sale of assets, such as the vaccines business, to a related party or stockholder would be acceptable if the transaction was structured as a merger. Roche also indicated that it had concerns about the status of certain agreements between the Company and MSD. Roche s letter further indicated that it would request Mr. and Mrs. Wohlstadter to enter into an agreement to tender all their shares or vote for any merger. The Company asked Lehman Brothers to provide a preliminary valuation of the Company and an analysis of Roche s December 22 proposal.

In late December 2006, the Company received a preliminary payment of $2.8 million, representing Roche s unilateral, preliminary calculation of amounts owed to the Company for Roche s sales to certain single-use customers in 2004 that were outside Roche s licensed field of use. The Company notified Roche that this $2.8 million payment did not represent full satisfaction of Roche s obligations for 2004 out-of-field sales and the Company expressly reserved all rights to seek additional payments.

On January 3, 2007, the board met telephonically to review Roche s December 22 proposal. Skadden made a presentation to the board regarding the board s fiduciary duties in connection with a potential transaction. Lehman Brothers also made a presentation to the board regarding its valuation perspectives and Roche s December 22 proposal. Following the presentations from its legal and financial advisors, the board determined that it was in the best interest of the Company s stockholders to inform Roche that their valuation of the Company was inadequate, but that the Company was prepared to discuss a possible transaction with Roche at a more appropriate valuation.

On January 5, 2007, the Company informed Roche that the board believed that its $14.25 proposal was inadequate, but that the Company was prepared to continue discussions to see if a more appropriate valuation level could be reached.

On January 10 and 11, 2007, representatives from the Company and Roche met at Skadden s New York offices to discuss the framework for the structure of a potential transaction. During such meetings, the Company reiterated to Roche that the board had determined that Roche s December 22, 2006 proposal did not reflect the value of the Company, especially in light of the significant amounts that the Company believed Roche owed and would owe to the Company as a result of its out-of-field sales. Roche informed the Company that any significant additional discussions on value would require the involvement of Roche s CEO, Dr. Franz Humer. Accordingly, the parties agreed to defer further discussions on valuation and focus the meetings on a structure for the transaction. During the discussions, the parties agreed that the proposed acquisition of the Company would be structured as a typical public company cash merger. The parties also discussed the terms of certain asset sales. Mr. Wohlstadter indicated that he was interested in acquiring the assets related to the vaccine business and a non-exclusive license to use the ECL technology and certain related assets to develop and sell small instruments, including for point-of-care. Roche indicated that it had no interest in the vaccines business (and attributed no value to it) and would be willing to have those assets sold prior to the merger. Roche also advised the Company that it did not ascribe significant value to the Company s point-of-care efforts for its ECL technology and would be prepared to consider Mr. Wohlstadter s request. Although Roche wanted to be able to fully exploit the ECL technology, it was willing to consider a benign license in favor of ECL Newco. The parties agreed that the term of the license and the specific assets and liabilities to be transferred needed to be spelled out in more detail. Roche also indicated that additional pricing discussions could not take place until all material terms of the merger and related transaction were resolved. At this time, Roche reiterated its desire to receive a formal agreement from MSD in connection with the proposed transaction, including relating to the scope of MSD s rights (including rights with respect to the ECL technology).

On January 11, 2007, Roche provided the Company with an initial draft of the ECL license, which had been based on the Roche License. Roche reiterated its view that such license would need to be benign not posing any competitive risk to Roche and be subject to limitations on transfer, sublicensing and upon a change of control. In addition, Roche provided a proposed agreement to be entered into with MSD, which, among other things, contained a release and a

clarification of the scope and termination of the MSD joint venture and related research.

On January 12, 2007, the board reviewed the current status of discussions with Roche. In connection with those discussions, the board also discussed the potential sale to one or more entities controlled by

Mr. Wohlstadter of the vaccines assets, the ECL assets and the ECL license. In view of the fact that Mr. Wohlstadter was considering purchasing a small amount of assets from the Company in connection with the larger sale transaction with Roche, based on the advice of counsel and with the concurrence of Mr. Wohlstadter, the board determined that it was appropriate to appoint a Special Committee consisting of independent directors Dr. Joop Sistermans and Mr. William J. Crowley, Jr. to review any proposal related to the sale of the vaccines assets, the ECL assets and the ECL license to entities controlled by Mr. Wohlstadter. In addition the Special Committee was granted the authority to review the treatment of the Series B Preferred Stock in a potential merger.

On January 22, 2007, the Special Committee formally engaged Shearman & Sterling, LLP (Shearman) to serve as its legal advisor. On February 6, 2007, the Special Committee formally engaged Houlihan, Lokey, Howard & Zukin Financial Advisors, Inc. (Houlihan Lokey) to render an opinion as to the fairness, from a financial point of view, to the Company of the proposed consideration to be received by the Company in the transaction being considered by the Special Committee. In meetings of the Special Committee held by telephone in late January and early February, Shearman reviewed with the Special Committee its fiduciary duties in connection with its consideration of a sale of the vaccines assets and the ECL assets, including the ECL license, to Mr. Wohlstadter. Also during this time, representatives of Shearman and Houlihan Lokey began their due diligence and analysis of the relevant assets, including by meeting with and requesting documents and information from Mr. Wohlstadter and representatives of the Company.

On January 24, 2007, at the Company s request, Skadden distributed a draft merger agreement to Roche s legal counsel for its review.

On February 7, 2007, Mr. Wohlstadter submitted a preliminary written proposal to the Special Committee with respect to the acquisition of the vaccines assets, the ECL assets and the ECL license. In this proposal, Mr. Wohlstadter acknowledged the Company s desire to receive fair value for these assets. Mr. Wohlstadter s proposal offered a purchase price equal to $1,015,000 for the vaccines assets, including the rights to certain third party licenses and sponsored research agreements, a patent application, equipment and a limited number of transferred employees. In addition the proposal offered a purchase price equal to $2 million for the ECL license and related rights and the book value of other certain assets and equipment related to the ECL business. Mr. Wohlstadter s letter indicated that his final proposal would not be subject to a financing contingency. Mr. Wohlstadter premised this proposal as being preliminary and subject to change, including based on the terms of the definitive agreements.

On February 19 and 20, 2007, representatives of the Company and Roche, and their respective legal counsel, met at Skadden s New York office to discuss the transaction documents, including the merger agreement and the agreements related to Mr. Wohlstadter s proposed purchase of the vaccines assets, the ECL assets and the ECL license. During the discussions, the parties made progress on a number of the material terms of the various agreements. While merger consideration was not specifically discussed, representatives of the Company advised Roche that, in order to proceed with the merger, the Company expected a proposal in excess of $20 per share. In addition, the Company informed Roche that, while the negotiations regarding the contractual terms and conditions of Mr. Wohlstadter s proposed purchases of the vaccines assets, the ECL assets and the ECL license would include Roche, the purchase price for such transactions would be negotiated between Mr. Wohlstadter and the Special Committee, and the contractual terms and conditions of such purchases would be subject to the Special Committee s review and approval. The parties also reviewed the most recent proposal received from MSD, which included significant financial concessions from the Company requested by MSD. The Company advised Roche that it did not believe that the proposed merger transaction should be conditioned upon obtaining any modifications from MSD and, in view of Roche s concerns about the concessions being requested by MSD, suggested that Roche conduct further due diligence so that it could become comfortable with the extent of the Company s existing obligations to MSD.

On February 20, 2007, Mr. Wohlstadter delivered a letter to the Special Committee addressing the proposed valuation of the Series B Preferred Stock and its treatment in the proposed transaction with Roche. In this letter, Mr. Wohlstadter outlined the history of the Series B Preferred Stock, specifically:

that Mr. Wohlstadter alone was requested by the board of directors of IGEN to purchase the Series B Preferred Stock in 2004 in order to facilitate the IGEN Transaction;

that Mr. Wohlstadter did so with the understanding that he would have a reasonable opportunity to obtain the return of his capital and earn a return on his investment; and

that subsequent to Mr. Wohlstadter s acquisition of the Series B Preferred Stock, and without his involvement or approval, the Company s relationship with MSD and MST was modified in such a way as to eliminate the possibility that Mr. Wohlstadter could fully recover his capital or achieve any investment return on the Series B Preferred Stock.

In light of the history of the Series B Preferred Stock, and the possible merger with Roche, Mr. Wohlstadter requested that the Special Committee consider equitably adjusting the terms of the Series B Preferred Stock in connection with, and dependent upon the consummation of, the merger to provide that the Series B Preferred Stock be redeemed at its aggregate purchase price of $7.5 million.

Shortly thereafter, the Special Committee informed Mr. Wohlstadter that, in connection with Mr. Wohlstadter s Series B Preferred Stock, it would not be prepared to consider any adjustment to the terms of the Series B Preferred Stock, including any cashing out of the Series B Preferred Stock in the merger for more than the face value of the stream of dividends to which the Series B Preferred Stock was entitled, which the Company had estimated to be approximately $610,000.

On February 21, 2007, Mr. and Mrs. Wohlstadter met with representatives of the Company and the Company s financial and legal advisors, as well as the Special Committee s legal and financial advisors, to discuss Mr. Wohlstadter s proposed valuation of the vaccines assets, the ECL assets and the ECL license.

On February 22, 2007, the Company informed Roche that Roche was prohibited from making any further sales of ECL products to out-of-field customers that had been identified by Roche in a letter dated February 7, 2007, and any other customers whom Roche had reason to believe were using ECL products outside of the field. The Company further demanded that Roche make payment to the Company for 65% of all revenues earned through out-of-field sales or placement beyond those covered by the $2.8 million payment that Roche remitted to the Company in December 2006, including for sales in 2004, 2005, 2006, and 2007, together with interest on all amounts due. The Company also reserved the right to seek further payment for any additional out-of-field sales identified through the ongoing examinations by the field monitor and PwC. In a response dated March 2, 2007, Roche refused to make additional voluntary payments for out-of-field sales without a report from the field monitor, disagreed with the Company s view on the 2004 payments and agreed that it would make no further sales for out-of-field uses to the single-use customers it had previously identified.

On February 22 and 23, 2007, the board held a meeting at which they discussed, among other things, the progress of negotiations in relation to a potential transaction with Roche and to hear a preliminary report from the Special Committee. The board also discussed the terms of proposed amendments to the Company s termination protection program and the possible adoption of a broad-based severance plan for employees. The board also determined that if Roche required amendments to the MSD agreements in order to consummate a transaction that such modifications should be negotiated by Roche directly with MSD. Management also updated the board on developments in

connection with the ongoing field monitor and audit process relating to the dispute over the Roche License. At such meeting, the board authorized the payment of a $12,000 fee to each member of the Special Committee.

The Special Committee met again with its financial and legal advisors on February 23, 2007, to further review and discuss, among other things, the potential transactions in which Mr. Wohlstadter would acquire the vaccines assets, the ECL assets and the ECL license from the Company. The Special Committee also discussed Mr. Wohlstadter s Series B proposal. After this meeting, the Special Committee met with Mr. and Mrs. Wohlstadter and representatives of the Company to further discuss Mr. Wohlstadter s various proposals

and advised Mr. Wohlstadter that the Special Committee would not be prepared to pursue a proposal by Mr. Wohlstadter unless he significantly increased his proposed purchase price.

On February 28, 2007, representatives of the Company, along with their financial and legal advisors, met with Mr. and Mrs. Wohlstadter, Mr. Wohlstadter s legal counsel (participating by telephone), and the Special Committee s financial and legal advisors, to further discuss the methodology and valuation of the vaccines and ECL assets, including the ECL license, and the significant limitations on the ECL license that had been imposed by Roche.

In late February 2007, the Company communicated to Roche that should it require amendments to the existing MSD agreements such modifications should be negotiated directly with MSD and any financial consideration for such modifications would need to be over and above amounts paid to the Company s stockholders. As a result, Roche s legal representatives performed additional diligence on MSD, including, with MSD s consent, reviewing certain research and development summaries relating to the joint venture between the Company and MSD, which terminated in 2004. On March 8, 2007, Roche advised the Company that for the time being Roche was willing to proceed with the transaction without obtaining any written modifications from MSD. The Company and Roche subsequently agreed to include a specific covenant in the merger agreement whereby the surviving corporation would agree to perform and observe all terms, covenants and conditions of all binding obligations of the Company to MSD and MST.

On March 9, 2007, representatives of the Company and Roche, together with their legal advisors, engaged in a conference call to discuss open issues relating to the merger transaction, and agreed to meet in person during the weeks of March 19 and 26, 2007 to continue discussing the terms of the transaction.

On March 12, 2007, PwC notified Roche and the Company that it was calling a hiatus to its audit work due to limitations imposed by Roche.

On March 20, 22 and 23, 2007, Mr. Wohlstadter and representatives from the Company and Roche, along with each of their respective legal advisors, met in person in Washington, DC to further negotiate the terms and conditions of the various agreements related to the merger and the transactions with entities controlled by Mr. Wohlstadter. Although Roche was not prepared to discuss issues of valuation, representatives of the Company reiterated that any valuation of the Company would need to be in excess of $20 per share. In addition, in making its merger proposal, Roche was advised that it should value the entire Company, including the vaccines assets, ECL assets and ECL license, and assume that the Company would receive fair value for such assets in the sale to Mr. Wohlstadter and that the proceeds of such sale would remain in the Company following the merger. The Special Committee met with its financial and legal advisors telephonically on March 22, 2007 to further discuss Mr. Wohlstadter s various proposals.

On March 23, 2007, Mr. Wohlstadter submitted a letter to the Special Committee containing a modified proposal for the ECL assets, ECL license and vaccines assets. In the modified proposal, Mr. Wohlstadter expressed his view that the form of the agreements, as currently negotiated, relating to the transaction contained restrictive provisions that had the effect of substantially reducing the value of the assets from his original expectations, most notably in relation to the scope and restrictions of the ECL license. In addition to the changes to the agreements relating to the asset sales and ECL license, Mr. Wohlstadter outlined certain factors relating to valuation metrics which he viewed as critical and urged the Special Committee to consider, including, the following:

the necessity to differentiate between the value and future revenue projections to be attributed to the ECL and vaccines businesses once transferred to Mr. Wohlstadter s entities, compared to the projections previously furnished to Lehman Brothers in the context of these businesses being part of the ongoing Company in future years;

the limited value of using private financings and venture capital financings of the newly formed entities rather than later round financings of existing businesses;

the inappropriateness of comparing the ECL license to customary licenses that normally have broader scope, additional rights for the licensee and an unrestricted ability to commercialize products;

the inappropriateness of using traditional valuations analyses when valuing ECL Newco, a company without any projected revenue base or commercial product for a number of years;

the necessity to use companies similarly situated to Vaccines Newco in any determination of probability weighed pipeline analysis or comparable transaction methodology; and

that the cost basis to the Company of the vaccines candidate license and option fees paid to third parties represents the most appropriate value of the vaccines assets.

In the March 23, 2007 letter, Mr. Wohlstadter indicated that his revised proposal for the ECL assets, including the ECL license, was $250,000, plus the book value of ECL assets. Mr. Wohlstadter did not modify his original February 7, 2007 proposal with respect to the vaccines assets, despite his view that there had been adverse changes to the terms and conditions of the vaccines asset purchase agreement documents.

During the weekend of March 24 and 25, 2007, Mr. George Migausky, the Company s chief financial officer, and Mr. Patrick Christmas, the Company s general counsel, at the request of Mr. Wohlstadter, telephonically discussed the status of the proposed purchase and valuation of the vaccines assets, the ECL assets and the ECL license with the members of the Special Committee.

On March 26, 2007, management and representatives from the Company and Roche, including, for parts of the meetings, Dr. Franz Humer, Roche s chief executive officer, Dr. Erich Hunziker, Roche s chief financial officer, and Dr. Gottlieb Keller, a member of Roche s Executive Committee, along with their respective legal advisors, met to discuss the revised valuation by Roche and the various transaction documents. Dr. Humer initially indicated that Roche would be prepared to increase its proposal to $18.50 per share, which, following further negotiating and discussions, was later increased to $19.75 per share. Representatives of the Company consulted with their financial and legal advisors, following which the meeting resumed and the Company informed Roche that $19.75 did not reflect the full value of the Company. After further negotiations, Dr. Humer indicated that, subject to the satisfactory negotiation of the transaction documentation, Roche would be willing to offer the Company s common stockholders $21.50 per share in cash in a one-step merger transaction and that such price represented Roche s final offer. Management of the Company, including Mr. Wohlstadter, indicated that they would be willing to support a merger with Roche at a price of $21.50 per share of Common Stock, or approximately $600 million in the aggregate. Roche confirmed that the price per share that it had offered would not be increased or decreased by the amounts paid by Mr. Wohlstadter under the contemplated vaccines and ECL asset sales, assuming that the Special Committee approved the terms of such sales. At the end of such meeting, the parties agreed to continue their negotiations regarding the terms and conditions of the various agreements.

Later that day and on the following day, Mr. Wohlstadter and Mr. Migausky updated the members of the board regarding the valuation discussions with Roche.

On March 27, 2007, in response to a request from Houlihan Lokey, Mr. Wohlstadter provided a business summary to the Special Committee regarding 32 Mott Street Acquisition II, LLC, the Delaware limited liability company that was formed in connection with the proposed acquisition of the ECL assets and the ECL license. The report contained, among other things, risk factors, financial and operational assumptions and financial projections for the new entity. Mr. Wohlstadter s counsel, representatives of the Company, and the Company s financial and legal advisors, engaged in a conference call with the Special Committee s legal and financial advisors to discuss the valuation of the ECL assets and the ECL license.

During the week of March 26, 2007, the parties and their respective representatives continued to negotiate the terms and conditions of the various agreements relating to the merger and the transactions with entities controlled by Mr. Wohlstadter, including the terms and consideration to be paid for both the Series B Preferred Stock and Mr. Wohlstadter s non-disclosure and non-solicitation agreement and release.

Shearman, at the instruction of the Special Committee, informed representatives of Mr. Wohlstadter, through representatives of the Company, that the Special Committee would not be prepared to recommend Mr. Wohlstadter s March 23 proposal unless it was at a higher price than that contained in the proposal. Beginning on March 29 and 30, 2007, Mr. Wohlstadter submitted a series of revised proposals to the Special

Committee with respect to the vaccines assets and the ECL assets, including the ECL license, each of which proposals included a payment at closing and a series of payments in later years. The proposals differed mainly in the amount and the level of certainty of the back-end payments. After reviewing and discussing each proposal, the Special Committee, through its representatives, indicated that it would not be prepared to recommend such a proposal unless it was revised to include a higher aggregate price and more certainty with respect to the back-end payments.

On March 31, 2007, Mr. Wohlstadter submitted a revised proposal to the Special Committee to address its concerns about price and the conditionality of the back-end payments under his previous proposals. He proposed that he acquire the vaccines assets for (a) $1,000,000 to be paid at closing, (b) three annual payments of $50,000 to be paid on the anniversaries of the closing date and (c) a final payment of $2,709,000 to be paid on the earlier of the third anniversary of closing or the receipt of certain third party financing. Mr. Wohlstadter also proposed that he acquire the ECL assets and the ECL license for (a) $1,000,000 to be paid at closing, (b) three annual payments of $50,000 to be paid on the anniversaries of the closing date and (c) a final payment of $1,568,000 to be paid on the earlier of the third anniversary of closing or the receipt of certain levels of financing, as well as absorbing up to $779,000 in connection with certain severance obligations of the Company.

A telephonic meeting of the Special Committee was held in the evening of April 1, 2007. At the meeting, the Special Committee discussed the March 31 proposal with representatives of Houlihan Lokey and Shearman, and Shearman reviewed with the Special Committee the terms of the purchase agreements with respect to the vaccines assets and the ECL assets and of the ECL license agreement. That evening, the Special Committee advised Mr. Wohlstadter that it would be willing to consider the sale of the vaccines assets and ECL assets, including the ECL license, on the terms set forth in Mr. Wohlstadter s March 31 proposal, provided that Mr. Wohlstadter personally guarantee the annual payments and the final fixed payments, and that the acquisition vehicle controlled by Mr. Wohlstadter commit to pay the Company $779,000 in connection with certain severance obligations relating to the ECL asset transfer at closing. Mr. Wohlstadter subsequently agreed to these terms. Roche was then informed of the amounts agreed to between Mr. Wohlstadter and the Special Committee.

On April 2-4, 2007, the board held a special meeting to consider the approval of the merger agreement, the acquisition of the vaccines assets, the ECL assets and the ECL license by entities controlled by Mr. Wohlstadter, and the transactions contemplated by such agreements. At the meeting:

Representatives of Skadden reviewed with the board its fiduciary duties when considering a proposed transaction such as the merger and reviewed the developments in the negotiations with Roche since the prior board meeting, including reviewing in detail the status and terms of the various agreements.

The board discussed positive and negative factors and risks to be considered in connection with the proposed transactions as discussed in *Reasons for the Merger* beginning on page 26.

The board reviewed the proposed changes to the Company s termination protection program and the terms of the new broad-based severance plan for employees.

Representatives of Lehman Brothers made a financial presentation and rendered to the board its oral opinion, which was subsequently confirmed by delivery of a written opinion dated April 4, 2007, to the effect that, as of that date, and based on and subject to the various assumptions made, matters considered and limitations described in the opinion, the aggregate consideration to be received in the merger by the holders of the Common Stock was fair, from a financial point of view, to such holders, as discussed in *Opinion of BioVeris Corporation s Financial Advisor* beginning on page 31. Such opinion is attached hereto as Annex B.

The Special Committee reported to the board (with Mr. Wohlstadter recusing himself) that subject to Mr. Wohlstadter s acceptance of the conditions articulated by the Special Committee to Mr. Wohlstadter on April 1, 2007, the Special Committee expected that Houlihan Lokey would be able to deliver to it an opinion that the consideration proposed to be received by the Company in the transaction with Mr. Wohlstadter was fair, from a financial point of view, to the Company. Mr. Wohlstadter subsequently

advised the Special Committee and the board that he would agree to the Special Committee s conditions.

The board also discussed a possible payment in the range of approximately $610,000 for the Series B Preferred Stock, representing the Company s estimate of the face value of the future dividends of such Series B Preferred Stock. Mr. Wohlstadter advised the board that he intended to negotiate the final terms of certain agreements, including a non-disclosure and non-solicitation agreement, directly with Roche and that such negotiations also might involve the Series B Preferred Stock. In light of Mr. Wohlstadter s intended negotiations of these agreements directly with Roche, the board determined that such agreements, including any agreements reached with respect to the Series B Preferred Stock, should be reviewed by the entire board in the context of its review of the merger and the entire transaction.

The meeting was adjourned until the late afternoon of April 3, 2007.

Beginning in the evening of April 2, 2007 and lasting into the evening of April 3, 2007, representatives of the Company and Roche and Mr. Wohlstadter s counsel engaged in discussions to finalize various agreements, including the merger agreement, disclosure schedules, press releases, Mr. Wohlstadter s non-solicitation and non-disclosure agreement and stockholders agreement and to agree on the treatment of the Series B Preferred Stock. During these discussions, Mr. Wohlstadter and Roche agreed that Roche would purchase Mr. Wohlstadter s Series B Preferred Stock directly from Mr. Wohlstadter, that the Series B Preferred Stock would not be cancelled in the merger and that Mr. Wohlstadter would release any claims he had relating to the Series B Preferred Stock. Roche and Mr. Wohlstadter agreed that in consideration of Mr. Wohlstadter s entering into the non-solicitation and non-disclosure agreement (including a release relating to certain intellectual property claims), the purchase of his Series B Preferred Stock and the release of potential claims related to the Series B Preferred Stock, Roche would pay Mr. Wohlstadter an aggregate lump sum of $2,750,000 in cash at the closing of the merger.

On the afternoon of April 3, 2007, the board recommenced its meeting. It was reported that the Series B Preferred Stock would not be cashed out in connection with the merger. Rather, in consideration for the purchase of the Series B Preferred Stock and Mr. Wohlstadter s release of potential claims relating to the Series B Preferred Stock and Mr. Wohlstadter s entering into certain other agreements, including the non-solicitation and non-disclosure agreement, Roche would pay Mr. Wohlstadter a lump sum of $2,750,000 in cash at the closing of the merger. The board then adjourned the meeting until the next morning.

On April 3, 2007 following the board meeting, the Special Committee held a meeting by telephone. At the meeting, representatives of Shearman reviewed with the Special Committee its fiduciary duties in connection with its consideration of the proposed sales of the vaccines assets and the ECL assets, including the ECL license. Representatives of Houlihan Lokey reviewed with the Special Committee its financial analyses of the revised proposal and rendered to the Special Committee an oral opinion, which opinion subsequently was confirmed in writing, to the effect that, as of the date of its written opinion and based upon and subject to the assumptions, limitations, qualifications and other matters described in its opinion, the consideration to be received by the Company from Mr. Wohlstadter for the vaccines assets, the ECL assets and the ECL license was fair, from a financial point of view, to the Company. The Special Committee unanimously resolved to recommend that the board approve the transfers of the vaccines assets and the ECL assets, including the ECL license, to Mr. Wohlstadter.

On the morning of April 4, 2007, the board recommenced its meeting. First, the Special Committee recommended to the board that the Company enter into the asset transfer agreements related to the vaccines assets, and the ECL assets and ECL license. Following careful consideration of the proposed merger agreement and the transactions with entities controlled by Mr. Wohlstadter, and the agreement entered into between Mr. Wohlstadter and Roche, including discussions with the Company s financial and legal advisors, the board unanimously determined that the terms and conditions of the merger agreement negotiated with Roche were advisable and fair to and in the best interests of the

Company s stockholders, unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and unanimously resolved to recommend that the Company s stockholders vote to approve and adopt the merger

agreement and the transactions contemplated by the merger agreement, including the merger. The board (with Mr. Wohlstadter abstaining) also approved the transactions with the entities controlled by Mr. Wohlstadter.

The merger agreement was executed by the parties on the morning of April 4, 2007. Prior to the opening of trading of the Common Stock on the NASDAQ on April 4, 2007, the Company issued a press release announcing the execution of the merger agreement and the transactions with entities controlled by Mr. Wohlstadter. Roche issued a similar press release on April 4, 2007.

Reasons for the Merger

Our board of directors, acting with the advice and assistance of its legal and financial advisors, evaluated the merger agreement and the consideration negotiated with Roche and their representatives. Our board of directors determined that the merger agreement, and the transactions contemplated thereby, including the proposed merger, are advisable and substantively and procedurally fair to and in the best interests of the Company and its stockholders. At a special meeting of our board of directors, held on April 2, 2007 and continued on April 3 and 4, 2007, at which all of the directors of the Company were present, our board of directors unanimously (with Mr. Wohlstadter abstaining with respect to the approval of the asset transfer agreements and related transactions) resolved to adopt and approve the merger agreement and the transactions contemplated thereby, including the proposed merger, and to recommend to our stockholders that they vote for the approval of the merger agreement.

In the course of reaching its recommendation, our board of directors consulted with our management, financial and legal advisors and considered a number of substantive factors, both positive and negative, and potential benefits and detriments of the merger. Our board of directors believed that, taken as a whole, the following factors supported its decision to approve the proposed merger:

Consideration. Our board of directors considered the historical market prices of our Common Stock and noted that the proposed merger consideration of $21.50 per share of Common Stock exceeded, by 35.6%, the highest market price of our Common Stock on February 18, 2004 at the inception of the Company. Our board of directors also noted the fact that the merger consideration was all cash, which provides certainty of value to our stockholders, and represented a premium of (i) 50.88% over Roche s December 22, 2006 proposal of $14.25 per share of Common Stock, (ii) 70.78% over the closing price of our Common Stock on December 21, 2006 (the date prior to Roche s $14.25 proposal), (iii) 78.2%, 68.8% and 84.1%, over the one, three and six month volume-weighted average closing prices, respectively, of our Common Stock for the periods ending March 30, 2007 and (iv) 61.8% over the closing price of our Common Stock on March 30, 2007, the last trading day immediately prior to the beginning of the meeting at which our board of directors considered the merger agreement. Our board of directors concluded, based upon all of the factors described herein, that the merger consideration was likely the highest price reasonably attainable by our common stockholders in a merger or other acquisition transaction.

Opinion of BioVeris Corporation s Financial Advisor. Our board of directors considered the financial presentation of Lehman Brothers and Lehman Brothers oral opinion delivered to our board of directors (which opinion was subsequently confirmed in writing) to the effect that, as of the date of the opinion and based upon and subject to the various qualifications and assumptions set forth therein, the price of $21.50 per share of Common Stock was fair, from a financial point of view, to our common stockholders, as more fully described under *Opinion of BioVeris Corporation s Financial Advisor* beginning on page 31. The full text of Lehman Brothers opinion, which sets forth the assumptions made, matters considered and limitations of the review undertaken by Lehman Brothers, is attached as Annex B to this proxy statement and is incorporated herein by reference. You are urged to, and should, read the opinion of Lehman Brothers carefully.

Stockholder Vote. Our board of directors considered the fact that the consummation of the proposed merger would require the affirmative vote of the holders of a majority of the outstanding shares of our Common Stock entitled to vote and Series B Preferred Stock, voting together as a single class. Our board of directors noted that Mr. and Mrs. Wohlstadter, holders, collectively, of approximately 19.3% of

our outstanding Common Stock (excluding shares underlying options) and 100% of the Company s issued and outstanding Series B Preferred Stock, agreed to vote all of the shares they held in favor of approval and adoption of the proposed merger. Our board of directors noted that the Wohlstadter voting agreement was a condition to Roche entering into the merger agreement. Our board of directors considered that companies affiliated with Mr. Wohlstadter were entering into asset transfer agreements, but noted that the relatively small value of those agreements when compared to the potential gain on the Wohlstadters Common Stock, together with the arms length process undertaken with the Special Committee, mitigated the possibility that Mr. Wohlstadter s interests were not aligned with those of the Company s other holders of Common Stock.

Identity of the Buyer. Our board of directors considered the fact that Roche is a well known large pharmaceutical and diagnostics company with experience in acquiring and running companies and in view of the issues related to Roche s out-of-field sales under the Roche License and Roche s current business involving ECL, our board of directors believed that Roche was the most logical buyer for the Company.

Negotiations of the Merger Agreement and Related Agreements. Our board of directors considered a number of factors relating to the procedural safeguards involved in the negotiation of the transaction, which provided assurance of the substantive and procedural fairness of the merger to our stockholders. Our board of directors noted that the Special Committee, which engaged independent legal and financial advisors, considered, reviewed and recommended the asset transfer transactions. Our board of directors noted that the terms and consideration to be paid in connection with Mr. Wohlstadter s non-disclosure and non-solicitation agreement and the agreement relating to the purchase of his Series B Preferred Stock had been negotiated only after the parties had reached a preliminary agreement with respect to the terms of the merger, including price, and at arm s-length between Mr. Wohlstadter and his representatives and Roche and its representatives. Our board of directors also noted the extensive negotiations that occurred since October 2006 (which had intensified over the past three month period) between the Company and its representatives and Roche and its representatives. See *The Merger Background of the Merger* beginning on page 16.

Ability to Consider Alternative Transactions and to Terminate the Merger Agreement. Our board of directors considered the terms of the proposed merger agreement, including the provisions prohibiting us from soliciting an alternate takeover proposal from a third party, or entering into negotiations or discussions regarding an alternate proposal unless such proposal is deemed to be a superior proposal by our board of directors. However, our board of directors also noted that we would be permitted to furnish non-public information and engage in discussions and negotiations with any third party who provides us with an unsolicited proposal which is deemed to be, or our board of directors determines in good faith, after consultation with our outside legal and financial advisors, is reasonably likely to result in, a superior proposal.

Ability to Change Recommendation to Stockholders. Our board of directors noted that it retained the ability to change, qualify, withhold, withdraw or modify its recommendation to our stockholders if, upon the advice of our outside legal and financial advisors, it determines that a failure to do so would be reasonably likely to constitute a breach of our board of directors fiduciary duties to the Company s stockholders.

No Solicitation of Other Offers. Our board of directors considered the fact that we engaged in exclusive negotiations with Roche without seeking offers from a broad group of other potential purchasers prior to entering into discussions with Roche. Our board of directors noted that our management had attempted to engage, without success, other parties in discussions relating to a strategic alliance regarding ECL during the past few years. Our board of directors specifically considered the responses of these large diagnostic companies in attempting to determine if such companies would be interested in engaging in a potential transaction involving the ECL technology and the likelihood that such companies would have been willing to pay in excess of $21.50 in cash per share. After consultation with Lehman Brothers, our board of directors

concluded that Roche was the

most likely and logical acquiror and that it was unlikely that, given the issues relating to Roche s out-of-field sales under the Roche License and their current business involving ECL and the full and fair value being paid by Roche, another strategic partner would be interested in acquiring the Company or that a financial sponsor would be willing to pay in excess of $21.50 in cash per share. Our board of directors noted that it retained the ability to consider unsolicited proposals after the execution of the merger agreement in certain circumstances, and considered recent market conditions in determining that this procedural safeguard provided the opportunity for any serious bidder to make an alternate proposal after the public announcement of the proposed merger.

Termination Fee. Our board of directors considered the $12 million termination fee, which represents approximately 2% of the merger consideration (and less than $.50 per share), to be paid to Roche if the merger agreement is terminated under circumstances specified in the merger agreement. Our board of directors was apprised by its legal and financial advisors of the customary nature of such termination fees and that such fee was toward the low end of the range of such fees in comparable transactions. Accordingly, our board of directors believed that a termination fee of this size for the transaction contemplated by the merger agreement would not, in and of itself, unduly deter a third party from making, or inhibit our board of directors in evaluating, negotiating, and, if appropriate, terminating the merger agreement and approving a superior proposal.

Terms of the Merger Agreement No Financing Condition. Our board of directors also considered the other terms of the proposed merger agreement, including the fact that the completion of the proposed merger is not subject to any financing condition and that there are relatively few closing conditions to the merger. Our board of directors noted however that there is no assurance that all conditions to the parties obligations to complete the merger will be satisfied.

Likelihood of Consummation. Our board of directors considered the likelihood that the merger will be completed, including its expectation that there will not be significant antitrust or other regulatory impediments to the transaction and that the receipt of third party consents or consummation of the transactions under the asset transfer agreements (other than failure to do so as a result of an injunction) is not a condition to the completion of the merger.

Recommendation of the Special Committee. The Special Committee, with the advice and assistance of its financial and legal advisors, evaluated the fairness to the Company of the ECL asset transfer agreement and the vaccines asset transfer agreement entered into between the Company and companies controlled by Mr. Wohlstadter. The Special Committee received the oral opinion of Houlihan Lokey (which was subsequently confirmed in writing) to the effect that, as of the date of its written opinion and based upon and subject to the various considerations and assumptions set forth therein, the consideration to be received by the Company from Mr. Wohlstadter for the vaccines assets and the ECL assets, including the ECL license, was fair, from a financial point of view, to the Company. Our board of directors noted that Roche did not view the vaccines assets as having any value to it, and that Roche wanted the ECL license to be a limited license that did not pose a material competitive risk to Roche and would not be transferable to certain designated pharmaceutical, diagnostics or life science companies. The Special Committee unanimously determined that the transactions contemplated by the ECL asset transfer agreement and the vaccines asset transfer agreement are in the best interests of the Company, and declared it advisable that the Company enter into the ECL asset transfer agreement and the vaccines asset transfer agreement, and unanimously recommended that our board of directors approve the execution, delivery and performance of the asset transfer agreements and the consummation of the transactions contemplated thereby. Our board of directors considered that the Special Committee engaged independent counsel and financial advisors in connection with its review of the ECL asset transfer agreement and the vaccines asset transfer agreement.

Cash Burn Rate . Our board of directors was aware of our current cash position and the current burn rate for such cash. Our board of directors noted the likelihood that if a transaction were not entered into and depending on the outcome of the field monitor process and potential out-of-field payments from Roche and our future cash flows, we might need to obtain additional debt and/or equity

financing to fund our operations in the future and that there could be no assurance that such financing would be available on terms that were acceptable to the Company.

Uncertainty of Future Common Stock Market Price. Our board of directors took note of their familiarity with our business, the financial condition, results of operations, technology, intellectual property, management and competitive position and prospects of the Company, as well as current industry, economic and market conditions. Our board of directors noted our history of operating losses and the future prospects for our business as an independent company, including the future prospects for out-of-field sales payments from Roche. Our board of directors also recognized the variability and risks inherent in its industry, the costs and risks associated with research and development of new technology and products, and that it was difficult to predict our future prospects. Our board of directors considered the possible effects on us and our stockholders if the merger were not to close, and any resulting resolution to the Roche out-of-field sales issue, including the likelihood that in any such event the price that might be received by our holders of Common Stock in the open market would be less than the $21.50 per share cash price to be paid in the merger.

Availability of Dissenters Rights. Our board of directors considered the fact that dissenters rights of appraisal would be available to our stockholders under Delaware law. See *Dissenters Rights of Appraisal* beginning on page 70.

Out-of-Field Sales Issues and Disagreement with Roche. Our board of directors considered at length the existing issues and disagreements with Roche regarding out-of-field sales of ECL products by Roche and use by Roche s customers in connection with the Roche License. Our board of directors noted that the potential payment to us for out-of-field sales may be material to our financial position, results of operations and cash flows. However, our board of directors noted that the amount and timing of any payments for past as well as future out-of-field sales the Company might receive from Roche is uncertain, speculative and difficult to quantify. Our board of directors considered the costs and difficulty of resolving the issues with Roche, including the significant management time and distraction involved, as well as the likelihood that any third party would acquire us while the Roche out-of-field sales issue was ongoing. In addition, our board of directors considered that Roche would likely pay a higher amount to resolve this ongoing problem than the value which would be placed on this asset by a third party. Our board of directors considered the current estimates of management as to the value of the potential payments from Roche, including the speculative nature of such payments, and noted that such potential value could be significant in relation to the overall value of the Company. Accordingly, our board of directors determined that a merger with Roche would likely be an effective and beneficial way of resolving the disagreements with Roche in a favorable manner that benefited our stockholders.

Our board of directors also considered potential risks or negative factors relating to the merger, including the following:

Risk of Non-Completion. Our board of directors considered the risk that the proposed merger might not be completed and the effect of the resulting public announcement of termination of the merger agreement on:

The market price of our Common Stock. In that regard, the market price could be affected by many factors, including (1) the reason or reasons for which the merger agreement was terminated and whether such termination resulted from factors adversely affecting the Company; (2) the status of the ongoing out-of-field sales issue with Roche and the results of various field monitor and audit processes; (3) the possibility that, as a result of the announcement of the merger, the marketplace would change its view of the potential value to us of Roche s out-of-field sales under the Roche License; (4) the possibility that, as a result of the termination of the merger agreement, the marketplace would consider us to be an unattractive acquisition candidate;

(5) the possible sale of shares of our Common Stock by short-term investors following an announcement of termination of the merger agreement; (6) our ability to obtain additional debt and/or equity financing in light of our available cash resources and our expected future cash flows; and (7) the possibility that, as a result of the announcement of the merger, the Company may lose sales.

The resolution of the disagreements with Roche regarding payments for out-of-field sales under the Roche License and future interaction between us and Roche, including the risks of litigation that could be expensive and prolonged; and

Our ability to attract and retain key personnel.

Possible Disruption of Business. Our board of directors considered the possible disruption to the Company s business that may result from the announcement of the transaction and the resulting distraction of the attention of the Company s management and employees. Our board of directors also considered the fact that the merger agreement contains certain limitations regarding the operation of the Company during the period between the signing of the merger agreement and the completion of the proposed merger. See *The Merger Agreement Other Covenants and Agreements; Conduct of Our Business Prior to Closing* beginning on page 49. Our board of directors believed such limitations were customary for merger transactions involving public companies, and were appropriately tailored to the specific requirements of the operation of the Company s business. Our board of directors also considered that the resolution of the disagreements with Roche regarding out-of-field sales under the Roche License (other than the continuation of the field monitor review for fiscal 2005 without disclosure to the Company or Roche of the results of such review) would be suspended after the signing of the merger agreement. See *The Merger Agreement Roche License Payments* on page 56.

Merger Consideration Taxable. Our board of directors considered that the cash consideration to be received by the Company s stockholders would be taxable to the stockholders.

Future Growth. Our board of directors considered the fact that if the proposed merger is approved and adopted, we will no longer exist as an independent company, and our stockholders will no longer participate in the future growth of the Company. Because of the risks and uncertainties associated with the Company s future growth prospects and the uncertainty surrounding any resolution of the Roche out-of-field sales issue, our board concluded that this detriment was not quantifiable. Our board of directors further concluded that providing the Company s stockholders the opportunity to sell their shares at a fair price now was preferable to remaining as an independent public company in which the holders of such stock would have a speculative potential for future gain.

Interests of Senior Managers that are Distinct from the Interest of the Company s Stockholders. Our board of directors considered the interests of Mr. Wohlstadter, the Company s chairman and chief executive officer, and certain other members of senior management, in the merger and related transactions, as more fully described in *Interests of Certain Persons in the Merger* beginning on page 38. Our board of directors noted that Mr. Wohlstadter would be receiving $2.75 million from Roche in consideration of entering into the Non-Disclosure and Non-Solicitation Agreement and Transaction Agreement relating to the purchase of the Series B Preferred Stock and release of potential claims by Mr. Wohlstadter relating to the Series B Preferred Stock.

Our board of directors concluded that the potentially negative factors associated with the proposed merger were substantially outweighed by the opportunity for the Company s stockholders to realize a substantial premium on the value of their Common Stock and monetize their investment in the Company for $21.50 in cash per share of Common Stock. Our board of directors believed that the proposed merger would maximize the immediate value of the stockholders shares and eliminate the significant risk and uncertainty associated with monetizing the out-of-field sales payments owed to us by Roche under the Roche License, and that the inherent uncertainty affecting the Company s industry and future prospects could result in a diminution in the market value of their shares. Accordingly, our board of directors concluded that the proposed merger was in the best interests of stockholders.

The foregoing discussion summarizes the material information and factors considered by the board of directors in its consideration of the proposed merger and related transactions. Our board of directors collectively reached the unanimous decision to approve the merger agreement and related transactions in light of the factors described above and other factors that each member of the board of directors felt were appropriate. In view of the variety of factors and the quality and amount of information considered, the board

did not find it practicable to, and did not make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. Individual members of our board of directors may have given different weight to different factors.

Recommendation of the Company s Board of Directors

After careful consideration, our board of directors, by unanimous vote of our directors:

has determined that the merger agreement and the merger, upon the terms and conditions set forth in the merger agreement, are advisable, fair to and in the best interests of the Company and its stockholders;

has approved the merger, the merger agreement and the transactions contemplated by the merger agreement; and

recommends that the Company s stockholders vote FOR the approval of the merger agreement.

Opinion of BioVeris Corporation s Financial Advisor

On September 19, 2006, the Company expanded its engagement with Lehman Brothers to act as BioVeris financial advisor with respect to exploring strategic alternatives, including a potential transaction with Roche. At the April 2-4, 2007 board meeting, Lehman Brothers rendered its oral opinion to the BioVeris board of directors, subsequently confirmed in writing, that as of the date of the opinion and, based upon and subject to the matters stated in its opinion, from a financial point of view, the consideration to be offered to the common stockholders of BioVeris in the merger was fair to such stockholders.

The full text of the written opinion of Lehman Brothers, dated April 4, 2007, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken by Lehman Brothers in connection with the opinion, is attached to this proxy statement as Annex B and is incorporated herein by reference. Lehman Brothers provided its advisory services and opinion for the use and benefit of the BioVeris board of directors in connection with its consideration of the merger. The opinion was one of a number of factors considered by the BioVeris board of directors in deciding to approve the merger. Lehman Brothers opinion is not intended to be and does not constitute a recommendation to any stockholder of BioVeris as to how that stockholder should vote with respect to the merger. Lehman Brothers was not requested to opine as to, and its opinion does not in any manner address, BioVeris underlying business decision to proceed with or effect the merger. The following is a summary of Lehman Brothers opinion and the methodologies that Lehman Brothers employed in arriving at its opinion. This summary of Lehman Brothers opinion in this proxy statement is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Lehman Brothers reviewed and analyzed, among other things:

the merger agreement and the specific terms of the merger;

the vaccines asset transfer agreement, the ECL asset transfer agreement and the ECL license agreements (although it should be noted that Lehman Brothers was not requested to opine as to, and its opinion did not in any manner address, the underlying business decision of BioVeris to proceed with or effect these Proposed Asset Transactions, the consideration involved in these Proposed Asset Transactions, or any amount payable to Mr. Wohlstadter in consideration for the purchase of the Series B Preferred Stock held by him);

publicly available information concerning BioVeris that it believed to be relevant to its analysis, including BioVeris Annual Report on Form 10-K for the fiscal year ended March 31, 2006 and BioVeris Quarterly Reports on Form 10-Q for the quarters ended June 30, 2006, September 30, 2006 and December 31, 2006;

publicly available information concerning Roche that Lehman Brothers believed to be relevant to its analysis, including Roche s Annual Report for the fiscal year ended December 31, 2006;

financial and operating information with respect to the business, operations and prospects of BioVeris furnished to Lehman Brothers by BioVeris, including financial projections of BioVeris prepared by management of BioVeris which include estimated out-of-field payments from Roche;

published estimates of third party research analysts with respect to the future financial performance of Roche s diagnostics business;

a trading history of the Common Stock from February 17, 2004 to March 30, 2007 and a comparison of that trading history with those of other companies that Lehman Brothers deemed relevant;

a comparison of the historical financial results and present financial condition of BioVeris with those of other companies that Lehman Brothers deemed relevant; and

a comparison of the financial terms of the merger with the financial terms of certain other transactions that Lehman Brothers deemed relevant.

In addition, Lehman Brothers had discussions with the management of BioVeris concerning BioVeris business, operations, assets, liabilities, financial condition and prospects and undertook such other studies, analyses and investigations as Lehman Brothers deemed appropriate.

In arriving at its opinion, Lehman Brothers assumed and relied upon the accuracy and completeness of the financial and other information used by Lehman Brothers without assuming any responsibility for independent verification of such information. Lehman Brothers further relied upon the assurances of the management of BioVeris that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections of BioVeris, Lehman Brothers assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of BioVeris as to the future financial performance of BioVeris and that BioVeris will perform substantially in accordance with such projections. In arriving at its opinion, Lehman Brothers conducted only a limited physical inspection of the properties and facilities of BioVeris and did not make or obtain any evaluations or appraisals of the assets or liabilities of BioVeris. In addition, BioVeris did not authorize Lehman Brothers to solicit, and Lehman Brothers did not solicit, any formal indications of interest from any third party with respect to the purchase of all or a part of BioVeris business. Lehman Brothers opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of Lehman Brothers opinion. Lehman Brothers was not requested to opine as to, and its opinion did not in any manner address, the underlying business decision of BioVeris to proceed with or effect the merger.

As compensation for its services as financial advisor in connection with the transaction, BioVeris will pay Lehman Brothers a fee of approximately $6,700,000, payable on completion of the merger. In addition, BioVeris has agreed to reimburse Lehman Brothers for reasonable out-of-pocket expenses incurred in connection with the transaction and to indemnify Lehman Brothers for certain liabilities that may arise out of its engagement by BioVeris and the rendering of the Lehman Brothers opinion. Lehman Brothers in the past has rendered investment banking services to Roche and to IGEN and received customary compensation for such services, and expects to perform various investment banking services for Roche and its affiliates in the future for which it expects to receive customary fees. In the ordinary course of its business, Lehman Brothers actively trades in the debt or equity securities of BioVeris and Roche 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.

Lehman Brothers is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. BioVeris selected Lehman Brothers as its financial advisor because its investment banking professionals have substantial experience in the life sciences diagnostics industry, and in transactions similar to the merger.

Financial Analyses of BioVeris Financial Advisor

The following is a summary of the material financial analyses presented by Lehman Brothers to the BioVeris board of directors in connection with providing its opinion to the BioVeris board of directors. The following summary, however, does not purport to be a complete description of the financial analyses performed by Lehman Brothers. The order of analyses described does not represent relative importance or weight given to those analyses performed by Lehman Brothers. The tables must be read together with the full text of each summary and are alone not a complete description of Lehman Brothers financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before March 30, 2007, and is not necessarily indicative of current market conditions.

Historical Trading Analysis

Lehman Brothers considered the historical public market trading performance of BioVeris since February 17, 2004, the first trading date after its spin-off from IGEN, through March 30, 2007 and compared this historical public market trading performance with Roche s offer price of $21.50 per share of the Common Stock. Lehman Brothers compared BioVeris volume-weighted average Common Stock price for the one-month, three-month and six-month periods ended March 30, 2007, the closing Common Stock price on March 30, 2007, and the closing high Common Stock price since the spin-off, to the offer price of $21.50 per share of the Common Stock. The results of this analysis are summarized as follows:

Stock Price Performance Since Spin-off

	BioVeris Stock Price	% Premium at Offer Price of $21.50
Closing Price (3/30/07)	$ 13.29	61.8%
1-Month, Volume-Weighted Avg.	12.07	78.2%
3-Month, Volume-Weighted Avg.	12.73	68.8%
6-Month, Volume-Weighted Avg.	11.68	84.1%
Closing High since Spin-off (2/18/04)	15.85	35.6%

The Common Stock price decreased by 15.9% from the closing price of $15.80 per share on February 17, 2004 to the closing price of $13.29 per share on March 30, 2007, while the percentage increase from the closing price of $15.80 per share on February 17, 2004 to Roche s offer price of $21.50 per share of the Common Stock is 36.1%. Lehman Brothers also noted that Roche s offer price represented 150.7% of the 52-week high stock price of the Common Stock, or a 50.7% premium, and 634.2% of the 52-week low stock price of the Common Stock, or a 534.2% premium. Lehman Brothers also noted that the percentage increase in the closing market capitalization weighted index value from February 17, 2004 to March 30, 2007 for selected public companies in the diagnostics industry, including well established companies focused on In-Vitro Diagnostics, and Emerging/Niche Diagnostics companies, was 62.4% and 57.3%, respectively. The companies included in each of these indices are identified in the following paragraph.

Selected Companies Analysis

Lehman Brothers calculated valuation multiples implied by the $21.50 per share offer price for the acquisition of BioVeris by Roche and compared those valuation multiples to valuation multiples of selected public companies in the

diagnostics industry, including well established companies focused on In-Vitro Diagnostics, and Emerging/Niche Diagnostics companies. Although none of the selected companies is completely comparable to BioVeris, the companies included were chosen because they are companies with operations that for purposes of analysis may be considered similar to BioVeris business. The In-Vitro Diagnostics companies selected were Beckman Coulter, Becton Dickinson, bioMerieux, Bio-Rad Laboratories, Bruker Biosciences and Dade Behring Holdings. The Emerging/Niche Diagnostics companies selected were Cepheid, Cholestech, Clinical Data, Cytyc, Digene, Gen-Probe, Inverness Medical, Luminex, Meridian

Bioscience, Monogram Biosciences, Myriad Genetics, OraSure Technologies, Quidel and Ventana Medical Systems.

The valuation multiples for each applicable company were calculated on the basis of both revenue and earnings before interest, taxes, depreciation and amortization (EBITDA). For the purpose of the multiples of EBITDA, a subset of companies including Beckman Coulter, Becton Dickinson, bioMerieux, Bio-Rad Laboratories, Bruker Biosciences, Cholestech, Cytec, Dade Behring Holdings, Digene, Gen-Probe, Inverness Medical and Ventana Medical Systems was analyzed as certain data was not available for the full universe of companies analyzed. Lehman Brothers first analyzed revenue multiples calculated by dividing the enterprise value of each company, in each case as of March 30, 2007, by estimated revenues for calendar year 2007; Lehman Brothers also analyzed EBITDA multiples calculated by dividing the enterprise value of each company, in each case as of March 30, 2007, by the estimated EBITDA for the calendar year 2007. The data derived was compared to the estimated revenue and EBITDA multiples for BioVeris for its fiscal year ending March 31, 2008. EBITDA should not be considered in isolation from, or as a substitute for net income and other consolidated income statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability. Additionally, BioVeris computation of EBITDA may not be comparable to other similarly titled measures computed by other companies. Not all companies calculate EBITDA in the same manner. Lehman Brothers calculated the enterprise value as the market value of common equity plus the book value of debt less the book value of cash and cash equivalents as of March 30, 2007, and in the case of BioVeris, such cash and cash equivalents after giving effect to the Proposed Asset Transactions. The estimated revenue and EBITDA attributable to BioVeris for the fiscal year ending March 31, 2008 were determined using information provided by the management of BioVeris, inclusive of management s estimate for out-of-field payments due from Roche. The same multiples were calculated with respect to selected public companies in the In-Vitro Diagnostics and Emerging/Niche Diagnostics industries using information available from public filings and consensus forecasts of revenue and EBITDA as reported by the Institutional Brokers Estimate System (IBES). The results of these analyses are summarized as follows:

Selected Companies Analysis

	Enterprise Value /	
	2007E Revenue	**2007E EBITDA**
Selected Companies Emerging/Niche		
High	7.50x	24.4x
Mean	4.76x	18.6x
Low	2.25x	14.6x
Selected Companies In-Vitro		
High	3.16x	18.7x
Mean	2.29x	11.9x
Low	1.37x	9.8x
BioVeris		
Closing Price (as of March 30, 2007)	4.21x	11.3x
At Roche Offer Price of $21.50	7.21x	19.4x

Note: EBITDA analysis excludes Myriad Genetics, Meridian Bioscience, Cepheid, Luminex, Quidel, OraSure Technologies, Monogram Biosciences and Clinical Data as estimates of 2007 estimated EBITDA were not meaningful.

Selected Transactions Analysis

Lehman Brothers reviewed selected transactions in the diagnostics industry to assess how similar Emerging/Niche Diagnostics as well as In-Vitro Diagnostics transactions were valued. Transactions reviewed for the analysis included the following (Target/Acquirer):

Emerging/Niche Diagnostics:
Molecular Devices / MDS (2007)
Lumigen / Beckman Coulter (2006)
TriPath / Becton Dickinson (2006)
Vision Systems / Danaher (2006)
Focus Diagnostics / Quest Diagnostics (2006)
ACON Laboratories / Inverness Medical (2006)
Diagnostic Systems Laboratories / Beckman Coulter (2005)
Novacept / Cytyc (2004)
i-STAT / Abbott (2003)
Unipath / Inverness Medical (2001)
Vysis / Abbott (2001)

In-Vitro Diagnostics:
Biosite / Beckman Coulter (2007)
Dako / EQT Partners (2007)
Phadia / Cinven (2006)
Bayer Diagnostics / Siemens (2006)
Diagnostic Products / Siemens (2006)
Serologicals / Millipore (2006)
Pfizer Diagnostics / Triton, PPM Ventures (2004)
Radiometer / Danaher (2003)
Amersham / General Electric (2003)
Perbio Science / Fisher Scientific (2003)
Chiron Diagnostics / Bayer (1998)
Coulter / Beckman (1997)
E.I. du Pont / Dade (1995)
Ciba Corning / Chiron (1994)
Baxter Diagnostics / Bain Capital (1994)

Using information available from company filings, public research and other sources for each of the selected transactions, Lehman Brothers calculated: (a) enterprise value as a multiple of revenue for the last twelve months (LTM) at transaction announcement date, and (b) enterprise value as a multiple of EBITDA for the last twelve months (LTM) at transaction announcement date. In determining enterprise value for BioVeris, the cash and cash equivalents were included after giving effect to the Proposed Asset Transactions. For the purpose of the multiples of EBITDA, a subset of transactions including Molecular Devices / MDS and TriPath / Becton Dickinson was analyzed as certain data was not available for the full universe of transactions analyzed. The same analysis was conducted using LTM revenue and EBITDA of BioVeris for the fiscal year ending March 31, 2007, inclusive of management s estimate for out-of-field payments due from Roche, for

purposes of comparing the selected transactions to the proposed merger with Roche. The following table presents the results of this analysis:

Selected Transaction Analysis

	Transaction Value / LTM Revenue	LTM EBITDA
Selected Transactions Emerging/Niche		
High	14.39x	27.2x
Mean	5.18x	21.8x
Low	1.42x	16.4x
Selected Transactions In-Vitro		
High	4.93x	18.1x
Mean	3.01x	12.6x
Low	1.10x	6.9x
BioVeris		
Closing Price (as of March 30, 2007)	5.48x	39.8x
At Roche Offer Price of $21.50	9.38x	68.2x

Discounted Sum-of-the-Parts Analysis

Lehman Brothers performed a sum-of-the-parts analysis on BioVeris using financial projections from BioVeris management, aggregating the sum of BioVeris interests in: (i) BioSecurity, Clinical Point-of-Care and Life Science Diagnostics, and Vaccines after giving effect to the Proposed Asset Transactions, (ii) estimated historical and projected out-of-field payments due from Roche, and (iii) financial assets consisting of net cash and net operating losses (NOLs).

BioVeris interests in BioSecurity, Clinical Point-of-Care and Life Science Diagnostics were each valued using financial operating projections from company management, discounting projected after-tax cash flows through 2017, and discounting a terminal value based on a terminal growth rate of 3%. Each division s cash flows were discounted using a range of discount rates. The discount rates used in the analysis were chosen by Lehman Brothers based on its expertise and experience with the diagnostics industry and also on an analysis of the weighted average cost of capital for selected comparable companies. The following ranges of discount rates were used to discount cash flows: (i) BioSecurity, 10% - 12%; (ii) Clinical Point-of-Care, 25% - 35%; and (iii) Life Science, 10% - 12%.

BioVeris estimated historical and projected out-of-field payments due from Roche were based on BioVeris management estimates. The out-of-field payments were discounted at a range of 8% - 10%, based on Lehman Brothers expertise and experience with the diagnostics industry and also on Lehman Brothers estimate of Roche s own cost of capital.

BioVeris NOLs are also included as part of the total net financial assets component discounted sum-of-the-parts analysis. The tax savings to be derived through the use of the NOLs are discounted at a range of 8% - 10%. Total net financial assets also include estimated net cash of $44 million after giving effect to the Proposed Asset Transactions.

The table below provides the range of estimated per share values based on the sum-of-the-parts analysis:

Discounted Sum-of-the-Parts Analysis

	Range of per Share Contribution	
	Low	**High**
BioSecurity	$ 4.54	$ 6.27
Life Science	(0.36)	(0.25)
Clinical Point-of-Care	(0.47)	0.32
Out-of-Field Payments	9.81	10.60
Net Financial Assets	3.36	3.39
Total Value	$ 16.88	$ 20.34

General

The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and application of those methods to the particular circumstances and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete and/or inaccurate view of the processes underlying the analyses on which the opinion of Lehman Brothers was based. In arriving at its fairness determination, Lehman Brothers considered the results of all of its analyses as a whole and made qualitative judgments as to the significance and relevance of each factor and analysis, and did not attribute any particular weight to any factor or analysis considered by it. Rather, Lehman Brothers made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to BioVeris or the contemplated acquisition by Roche.

Lehman Brothers prepared these analyses for purposes of providing its opinion to BioVeris board of directors as to the fairness from a financial point of view of the consideration to be offered by Roche to the BioVeris common stockholders in the merger. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of BioVeris, Lehman Brothers or any other person assumes responsibility if future results are materially different from those forecasted.

The consideration to be paid in the merger was determined through arms -length negotiations between BioVeris and Roche and was approved by BioVeris board of directors. Lehman Brothers provided advice to BioVeris during these negotiations. Lehman Brothers did not, however, recommend any specific amount of consideration to BioVeris or its board of directors, or that any specific amount of consideration constituted the only appropriate consideration for the merger.

As described above, Lehman Brothers opinion to BioVeris board of directors was one of a number of factors taken into consideration by BioVeris board of directors in making its determination to approve the merger. The foregoing

summary does not purport to be a complete description of the analyses performed by Lehman Brothers in connection with its fairness opinion and is qualified in its entirety by reference to the written opinion of Lehman Brothers attached to this proxy statement as Annex B. Lehman Brothers has delivered its consent to the inclusion of its opinion in Annex B.

Financing of the Merger

Roche and Merger Sub have represented to us that their obligations and performance under the merger agreement are not subject to any conditions regarding their, or any other person s, ability to obtain financing

for the merger and related transactions. Moreover, Roche has represented that as of the signing of the merger agreement, and as of the effective time of the merger, it will have cash on hand sufficient to enable it and Merger Sub to pay all amounts to be paid by Roche and Merger Sub in connection with the merger and its agreements with Mr. Wohlstadter.

Certain Effects of the Merger

If the merger agreement is adopted by our stockholders and certain other conditions to the closing of the merger are satisfied, Merger Sub will be merged with and into the Company, with the Company being the surviving corporation. Following the merger, the entire equity in the Company will be controlled by Roche (through the conversion, at the time of the merger, of each share of Merger Sub into one share of Common Stock, and through Roche s purchas