CAL MAINE FOODS INC
Form DEF 14A
August 28, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
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

Cal-Maine Foods, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
þ No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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):

4) Proposed maximum aggregate value of transaction: OMB APPROVAL

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CAL-MAINE FOODS, INC.
NOTICE OF ANNUAL MEETING
OCTOBER 2, 2008

TO THE SHAREHOLDERS:

The Annual Meeting of the shareholders of Cal-Maine Foods, Inc. will be held at the corporate offices of Cal-Maine Foods, Inc. at 3320 Woodrow Wilson Drive, Jackson, Mississippi 39209, at 11:00 a.m. (Local Time), on Thursday, October 2, 2008, to consider and vote on:

1. The election of seven directors to serve on the Board of Directors of Cal-Maine Foods, Inc. for the ensuing year.

2. Amendment of the Certificate of Incorporation to provide for payment of equal dividends on Common Stock and Class A Common Stock on a per share basis.

3. Resolution proposed by The Humane Society of the United States concerning maintaining laying hens in cages.

4. Such other matters as may properly come before the Annual Meeting or any adjournments thereof.

August 14, 2008 has been fixed as the record date for determination of shareholders entitled to vote at the Annual Meeting and to receive notice thereof.

The directors sincerely desire your presence at the meeting. However, so that we may be sure your vote will be included, please sign, date and return the enclosed proxy card promptly. A self-addressed, postage-paid return envelope is enclosed for your convenience.

FOR THE BOARD OF DIRECTORS

TIMOTHY A. DAWSON
SECRETARY

DATED: August 28, 2008

SHAREHOLDERS ARE URGED TO VOTE BY DATING, SIGNING AND RETURNING THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE TO WHICH NO POSTAGE NEED BE AFFIXED IF MAILED IN THE UNITED STATES

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CAL-MAINE FOODS, INC.
3320 Woodrow Wilson Drive
Jackson, Mississippi 39209
PROXY STATEMENT FOR ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD OCTOBER 2, 2008

The information set forth in this proxy statement is furnished in connection with the Annual Meeting of Shareholders of Cal-Maine Foods, Inc. (the Company) to be held on October 2, 2008, at 11:00 a.m., local time, at our headquarters, 3320 Woodrow Wilson Drive, Jackson, Mississippi. A copy of our Annual Report to Shareholders for the fiscal year ended May 31, 2008, accompanies this proxy statement. Our telephone number is 601-948-6813. The terms we, us and our used in this proxy statement mean the Company.

Additional copies of the Annual Report (not including exhibits), Notice, Proxy Statement and Proxy card will be furnished without charge to any Shareholder upon written request to: Cal-Maine Foods, Inc., ATTN: Timothy A. Dawson, Secretary, Post Office Box 2960, Jackson, Mississippi 39207. Exhibits to the Annual Report may be furnished to Shareholders upon the payment of an amount equal to the reasonable expenses incurred in furnishing such exhibits. A list of the shareholders of record on the record date will be available for inspection at the above address for ten days preceding the date of the Annual Meeting.

Our Board of Directors is soliciting the enclosed proxy. The proxy may be revoked by a shareholder at any time before it is voted by filing with our Secretary a written revocation or a duly executed proxy bearing a later date. The proxy also may be revoked by a shareholder attending the meeting, withdrawing the proxy, and voting in person.

All expenses incurred in connection with the solicitation of proxies will be paid by us. In addition to the solicitations of proxies by mail, our directors, officers, and regular employees may solicit proxies in person or by telephone. We will, upon request, reimburse banks, brokerage houses and other institutions, and fiduciaries for their expenses in forwarding proxy material to their principals. No proxies will be solicited via the Internet or web site posting.

This proxy statement, the enclosed form of proxy and the other accompanying materials are first being mailed to shareholders on or about August 28, 2008. Shareholders of record at the close of business on August 14, 2008, are eligible to vote at the Annual Meeting. As of the record date, 21,329,091 shares of our common stock were outstanding, and 2,400,000 shares of our Class A common stock were outstanding. Each share of common stock is entitled to one vote on each matter to be considered at the Annual Meeting. Each share of Class A common stock is entitled to ten votes on each such matter. Both the shares of common stock and the shares of Class A common stock have the right of cumulative voting in the election of directors. Cumulative voting means that each shareholder will be entitled to cast as many votes as he or she has the right to cast (before cumulating votes), multiplied by the number of directors to be elected. All such votes may be cast for a single nominee or may be distributed among the nominees to be voted for as the shareholder sees fit. To exercise cumulative voting rights by proxy, a shareholder must clearly designate the number of votes to be cast for any given nominee.

Shares represented by a properly executed and returned proxy card will be voted at the Annual Meeting in accordance with the instructions indicated thereon. If no instructions are indicated, the person or persons named in the proxy will vote:

§ **for** election of the seven nominees to serve as directors of the Company;

§ **for** the proposed amendment to the Certificate of Incorporation of the Company;

§ **against** the resolution proposed by The Humane Society of the United States; and

§ **in** their discretion with respect to such other business as may come before the Annual Meeting.

The election of directors requires a plurality of the votes cast. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum is present at the meeting.

Amendment to the Certificate of Incorporation requires a vote of the majority of the shares of the Common Stock represented at the annual meeting and 66-2/3 percent of the Class A Common Stock.

In accordance with our bylaws and Delaware law, the Board will appoint two inspectors of election. The inspectors will take charge of and will count the votes and ballots cast at the Annual Meeting and will make a written report on their determination. We encourage you to read this entire document carefully.

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OWNERSHIP OF VOTING SECURITIES BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as to the beneficial ownership of our common stock as of August 1, 2008, by:

- each person known by us to beneficially own more than five percent of the class outstanding, and
- each director, each nominee to serve as a director of the Company, each executive officer named in the Summary Compensation Table (see Compensation of Executive Officers and Directors) and by all directors and officers as a group.

	Common Stock and Class A Common Stock				
Name of Beneficial	**Number of Shares(1)**		**Percent of Class**		**Percent of Total Voting**
Owner(2)	**Common**	**Class A**	**Common**	**Class A**	**Power (3)**
Fred R. Adams, Jr. (4)(5)	**7,226,433**	**1,951,294**	**33.8**	**81.3**	**58.9**
Cal-Maine Foods, Inc. Employee Stock Ownership Plan	**1,451,851**		**6.8**		**3.2**
Richard K. Looper (6)	**59,759**		*		*
Adolphus B. Baker (7)	**374,347**	**448,706**	**1.7**	**18.7**	**10.7**
R. Faser Triplett, M. D.	**92,000**		*		*
Letitia C. Hughes	**30,000**		*		*
James E. Poole	**100**		*		*
Timothy A. Dawson (8)	**8,604**		*		*
Kenneth Paramore	**6,000**		*		*
Charles J. Hardin (9)	**22,546**		*		*
All directors and executive officers as a group (nine persons) (10)	**7,819,789**	**2,400,000**	**36.5**	**100**	**70.1**

* **Less than 1 percent**

(1) The information as to beneficial ownership is based on information known to us or statements furnished to us by the beneficial owners. As used in this table, beneficial ownership means the sole or shared power to vote or to

direct the voting of a security, or the sole or shared investment power with respect to a security (i.e. the power to dispose of or to direct the disposition of a security). For purposes of this table, a person is deemed as of any date to have beneficial ownership of any security that such person has the right to acquire within 60 days after such date, such as under our Stock Option Plans.

(2) The address of each person, except James E. Poole, R. Faser Triplett, M.D. and Letitia C. Hughes is Cal-Maine Foods, Inc., 3320 Woodrow Wilson Drive (Post Office Box 2960), Jackson, Mississippi 39207. Mr. Poole s address is P. O. Box 5167, Jackson, Mississippi 39096; Dr.

Triplett s address is 210 Winged Foot Circle, Jackson, Mississippi 39211; Ms. Hughes address is P.O. Box 291, Jackson, Mississippi 39205.

(3) Percent of total voting power is based on the total votes to which the Common Stock (one vote per share) and Class A Common Stock (ten votes per share) are entitled.

(4) The number of shares shown in the table includes 877,749 shares of Common Stock owned by Mr. Adams spouse separately and as to which Mr. Adams disclaims beneficial ownership. Additionally 180,476 shares of Class A Common stock and 239,114 shares of common stock are held in family trusts, to which Mr. Adams disclaims beneficial ownership.

(5) Includes 452,517 shares accumulated under the Cal-Maine Foods, Inc. Employee Stock Ownership Plan (ESOP).

(6) Includes 10,101 shares accumulated under the ESOP and 794 owned by Mr. Looper s spouse as to which he disclaims

beneficial ownership.

(7) Includes 73,957 shares owned by Mr. Baker s spouse separately and as custodian for their children as to which Mr. Baker disclaims any beneficial ownership and 58,108 shares accumulated under the ESOP.

(8) Includes 604 shares accumulated under the ESOP.

(9) Includes 11,546 shares accumulated under the ESOP.

(10) Includes shares as to which Messrs. Adams, Looper and Baker disclaim any beneficial ownership. See Notes (4), (6) and (7) above.

The shares of common stock accumulated in the ESOP, as indicated in Notes (5) through (8) above, also are included in the 1,451,851 shares shown in the table as owned by the ESOP.

ELECTION OF DIRECTORS

Our bylaws provide that the number of directors shall be fixed by resolution of the Board of Directors and that the number may not be less than three nor more than fifteen. Pursuant to the bylaws, the Board of Directors has fixed the number of directors at seven. Unless otherwise specified, proxies will be voted **FOR** the election of the seven nominees named below to serve until the next annual meeting of shareholders and until their successors are elected and qualified. If, at the time of the meeting, any of the nominees named below is unable or declines to serve as director (which is not anticipated), the proxies will be voted for the election of such other person or persons as the Board of Directors may designate in their discretion. The directors recommend a vote **FOR** the seven nominees listed below. All nominees presently serve as directors of the Company.

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Nominees for Directors

The table below sets forth certain information regarding the nominees for election to the Board of Directors:

Name	Age	Tenure and Business Experience
Fred R. Adams, Jr. (1) (3) Chairman of the Board of Directors, Chief Executive Officer and Director	76	Fred R. Adams, Jr. has served as the Chief Executive Officer and director of the Company since its formation in 1969 and as the Chairman of its Board of Directors since 1982. He is a director and past chairman of National Egg Company, United Egg Producers, Mississippi Poultry Association, U.S. Egg Marketers, Inc., and Egg Clearinghouse, Inc. Mr. Adams is the father-in-law of Mr. Baker.
Richard K. Looper Vice Chairman of the Board of Directors and Director	81	Richard K. Looper served as President and Chief Operating Officer of the Company from 1983 to January 1997. Previously, he had served as Executive Vice President of the Company since 1982 and was originally employed by the Company in 1974. Mr. Looper is a past chairman of the American Egg Board and U.S. Egg Marketers, Inc. He has served as a director of the Company since 1982.
Adolphus B. Baker (1) President, Chief Operating Officer and Director	51	Adolphus B. Baker was elected President and Chief Operating Officer in January 1997. He was serving as Vice President and Director of Marketing of the Company when elected President. Previously, he had served as Assistant to the President since 1987 and has been employed by the Company since 1986. He has been a director of the Company since 1991 and is past chairman of American Egg Board, United Egg Producers, Mississippi Poultry Association and Egg Clearinghouse, Inc. Presently Mr. Baker is a director of Trustmark Corporation, Jackson, Mississippi. Mr. Baker is Mr. Adams son-in-law.
James E. Poole (2)(3) Director	59	Mr. Poole is a Certified Public Accountant and a principal with Grantham & Poole of Jackson, Mississippi. He has been a director of the Company since October 18, 2004.
R. Faser Triplett, M.D. (2)(3) Director	75	R. Faser Triplett, M.D. has served as a director of the Company since September 1996. Dr. Triplett is a retired physician and a retired Assistant Professor at the University of Mississippi School of Medicine.
Letitia C. Hughes (2) Director	56	Letitia C. Hughes was elected as a director of the Company in July of 2001. Since 1974 Ms. Hughes has been associated with Trustmark National Bank, Jackson, Mississippi, in managerial positions. She is presently serving as Senior Vice-President, Manager, Private Banking. Mr. Baker is a director of Trustmark Corporation, the parent of Trustmark National Bank.

Timothy A. Dawson (1) Vice President, Chief Financial Officer and Director	54	Mr. Dawson joined the Company on August 1, 2005 and was elected Vice President and Chief Financial Officer effective as of that date. He has served as a director since October 13, 2005. He is Secretary and Treasurer of the Company. Mr. Dawson served as Senior Vice President and Chief Financial Officer of Mississippi Chemical Corporation from 1999 until the sale of that company to Terra Industries in December 2004.

(1) Member of the Executive Committee

(2) Member of the Audit Committee

(3) Member of the Compensation Committee

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The Company s executive officers serve at the pleasure of the Board. None of the officers or directors have been convicted in a criminal proceeding during the past five years (excluding traffic violations or a similar misdemeanor). None of the executive officers or directors have been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to federal or state securities laws, or a finding of any violation of federal or state securities laws.

Board and Committee Meetings

The Board of Directors of the Company held four regular and no special meetings in the fiscal year ended May 31, 2008. The Executive Committee of the Board presently consists of Messrs. Adams, Baker and Dawson. The Board also has a Compensation Committee consisting of Messrs. Adams, Poole and Triplett, and an Audit Committee consisting of Mr. Poole, Dr. Triplett and Ms. Hughes. The Board does not have a nominating committee. This function is performed by the Executive Committee.

The Executive Committee may exercise all of the powers of the full Board of Directors, except for certain major actions, such as the adoption of an agreement of merger or consolidation, the recommendation to stockholders of the disposition of substantially all of the Company s assets or a dissolution of the Company, and the declaration of a dividend or authorization of an issuance of stock. The Executive Committee acts on matters, within the scope of its authority, between meetings of the full Board. During the last fiscal year, no formal meetings of the Executive Committee were held, and the Committee, pursuant to Delaware law, took action by unanimous written consent on ten occasions. The full Board of Directors acted by written consent on two occasions.

The Compensation Committee reviews and recommends to the Board of Directors the compensation and benefits of all officers of the Company, reviews general policy matters relating to compensation and benefits of employees of the Company, including the issuance of stock options to the Company s officers, employees and directors. The Compensation Committee met one time during fiscal 2008.

The Audit Committee, which is composed of three independent directors, meets with management, internal auditors, and the Company s independent auditors to determine the adequacy of internal controls, to recommend auditors for the Company and other financial matters. The Audit Committee held four regular and no special meetings during fiscal 2008.

With the exception of Dr. Triplett each member of our Board of Directors attended 75 percent or more of the total meetings of the Board and all committees of the Board on which he or she served during fiscal 2008. Dr. Triplett missed three meetings of the Board of Directors and two meetings of the Audit Committee of the Board of Directors. While the Board of Directors does not have a specific policy as to directors attendance at the Annual Meeting of Shareholders, such attendance is encouraged. With the exception of Dr. Triplett, all Directors attended the meeting of shareholders held on October 11, 2007.

The independent directors of the Company met in executive session without any representatives of management being present on at least one occasion during fiscal 2008.

Report of the Audit Committee

The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. A copy of the Charter of the Audit Committee is attached as Appendix A. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Committee reviewed with Moore, Stephens Frost, independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Committee under generally accepted auditing standards. In addition, the Committee has discussed with the independent auditors the auditors independence from management and the Company including the matters in the written disclosures required by the Independence Standards Board and considered the compatibility of nonaudit services with the auditors independence.

The Committee discussed with our internal and independent auditors the overall scope and plans for their respective audits. The Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended May 31, 2008, for filing with the Securities and Exchange Commission.

All members of the Audit Committee are deemed by the Board of Directors to be financial experts.

James E. Poole, Audit Committee Member
Letitia C. Hughes, Audit Committee Chairperson
R. Faser Triplett, M.D., Audit Committee Member

Certain Corporate Governance Matters

The Securities and Exchange Commission approved amendments to the NASDAQ stock market qualitative listing standards to require that a majority of a listed company s directors be independent and that a compensation committee and nominating committee of the Board composed solely of independent directors be established. The new standards are not applicable to any company where more than fifty percent of the voting power is held by one individual or group. Fred R. Adams, Jr., Chairman of the Board and Chief Executive Officer of the Company, owns capital stock of the Company entitling him to 58.9 percent of the total voting power. Accordingly, the Company is exempt from those NASDAQ listing standards. However, a NASDAQ listing standard requiring the independent directors of the board to have regularly scheduled meetings at which only independent directors are present is applicable to the Company. At least one such meeting was held during fiscal 2008.

NASDAQ qualitative listing standards require companies to adopt a code of business conduct and ethics applicable to all directors, officers and employees that complied with certain provisions in the Sarbanes-Oxley Act of 2002. The Board of Directors adopted a code on April 14, 2004. Our Code of Ethics is posted on our web site.

The listing standards also require that effective January 15, 2004, all related party transactions to which the Company s directors or officers are parties be reviewed for potential conflicts of interests on an ongoing basis by, and all such transactions be approved by, the Company s audit committee or another independent committee of the Board of Directors. During fiscal 2008, no related party transactions took place.

Additional NASDAQ listing standards approved by the Securities and Exchange Commission require that the Audit Committee (i) be composed solely of independent directors; (ii) be directly responsible for the appointment, compensation, retention and oversight of the independent auditor, which must report directly to the audit committee; (iii) establish procedures to receive, retain, and treat complaints regarding accounting, internal accounting controls and auditing matters, including procedures for employees confidential, anonymous submissions of concerns regarding questionable accounting or auditing matters; (iv) have the authority to engage independent counsel and other advisors when the committee determines such outside advice is necessary; and (v) be adequately funded by the Company. Our Audit Committee is in compliance with these standards.

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The Board of Directors does not have a separate standing nominating committee. The Executive Committee of the Board of Directors fulfills this function. Messrs. Adams, Dawson and Baker are the members of the Executive Committee. The Executive Committee does not have a charter that addresses the nominating function. As a controlled company, the independence requirements of NASDAQ Rule 4350(c) do not apply to the Company.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who own more than 10 percent of a registered class of our equity securities, such as the common stock, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Such persons are also required to furnish us with copies of all forms they file under this regulation. To our knowledge, based solely on a review of the copies of such reports furnished to us and representations that no other reports were required, for the fiscal year ended May 31, 2008, all Section 16(a) reports applicable to its directors and executive officers were filed.

Certain Transactions

The Company owns approximately 25.9 percent of the non-voting stock of Eggland s Best, Inc. (Eggland s Best), a specialty egg marketing firm. During the fiscal year ended May 31, 2008, the Company paid approximately $10,992,600 to Eggland s Best for merchandising services. Adolphus B. Baker, President and director of the Company, is a director of Eggland s Best.

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COMPENSATION DISCUSSION AND ANALYSIS

We are the only publicly held company in the United States, insofar as we can determine, whose primary business is the commercial production, processing, and sale of shell eggs. While a few of our competitors are divisions of public companies, in each such case the shell egg division does not constitute the primary business of the company. Accordingly, there is little, if any, public information available relative to the compensation paid by our competitors.

It is our intent to compensate our employees at a level that will appropriately reward them for their performance, minimize the number of employees leaving our employment because of compensation issues, and enable us to attract needed talent as our business expands. Even though we have not lost many management level employees to our competitors, we believe our management is not the highest paid management group in the egg business. Our philosophy is to provide compensation to our management that falls in the upper middle range of industry compensation.

As more than 50 percent of our voting stock is owned by members of the Adams family, we are a controlled company as defined in Rule 4350(c)(5) of the NASDAQ Rules. As such, we are not required to have the compensation of our named executive officers determined by a majority of our independent directors or a Compensation Committee composed entirely of the independent directors. However our independent directors, who constitute two of the three members of the Compensation Committee, do play a significant role in determining the compensation of our named executive officers. We divide our executive officers into two categories for compensation purposes. The first are members of the Executive Committee of our Board of Directors which is composed of Messrs. Adams, Baker and Dawson. The compensation of the members of the Executive Committee is primarily determined by the Executive Committee which submits its recommendation to the Compensation Committee for approval. The compensation for other executives or officers, including named executive officers not members of the Executive Committee, is determined by the Compensation Committee.

Elements of Compensation

Our total compensation package which we provide to each of our named executive officers consists of a base salary, a cash bonus, equity compensation, automobiles, company paid insurance and dues. Additionally, the named executive officers participate in deferred compensation plans and are eligible for an enhanced health plan.

Bonus Plans

The named executive officers, with the exception of Messrs. Adams, Baker and Dawson who are members of the Executive Committee, are covered by our general bonus program. Under the general bonus program the named executive officers have the possibility of receiving a bonus equal to a maximum 50 percent of his base salary. Each year we establish performance objectives for each operating region. Half of a named executive officer s bonus is predicated on our profitability, and the remaining half is primarily determined by his region s performance evidenced by feed conversion rates, rate of lay of eggs, dozens of eggs marketed, and similar performance based criteria utilized by us in running our business.

For members of our Executive Committee the bonus program is essentially subjective, rather than utilizing objective criteria. The Executive Committee agrees on bonuses for its members which are then given as a recommendation to the Compensation Committee for final approval. Normally, the Compensation Committee accepts the Executive Committee s recommendation. The most significant item in determining the amount of Executive Committee s bonus is the profitability of our Company.

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Year to year variations in the level of compensation for our named executive officers result primarily from changes in bonuses and other compensation other than base salary such as stock options and stock appreciation rights. Their salaries remain relatively fixed with modest increases from time to time. A primary variable factor in the named executive officers compensation is the value of the shares of our stock in relation to which the officer has options. On occasion during the recent past, the compensation of some of the named executive officers attributable to stock options and stock appreciation rights has exceeded their base salary and bonus.

The tables which follow give details as to the compensation of each of our named Executive Officers.

General Matters

None of our named executive officers has an employment contract.

Mr. Hardin and Mr. Paramore each participate in the Deferred Compensation Plan described below.

In December 2006 our Board adopted a Deferred Compensation Plan under which all our officers are eligible to participate. The Plan will establish an account for each officer selected by the Board. Each year the Board may elect to make a contribution for each participant ranging from zero to whatever the Board determines. Each participant s account will be credited with investment earnings equal to a fund selected by the Board to serve as an index. At the time of initial participation, each participant must elect how he wishes his account to be distributed to him. All contributions to each officer s account will vest when made. The Board will determine what contributions, if any, will normally be made during December of each year.

Mr. Adams does not participate in any stock option, stock appreciation, deferred compensation, or similar plans. The remainder of our named executive officers do participate in our 1993 and 2005 stock option plans, and in our 2005 Stock Appreciation Rights Plan that is settled in cash rather than shares of our common stock.

No named executive officer is entitled to receive any severance or change in control payment.

We do not have any pension plan but we do have an Employee Stock Ownership Plan (ESOP) to which we contribute an amount not less than 3 percent of the participant s base salary and bonus. All employees, including our named executive officers, are members of the ESOP. We also sponsor an elective 401(k) plan, but we make no contributions directly to the 401(k) plan on behalf of the participants. All of our named executive officers have elected to have 401(k) plans.

Each of our named executive officers participates in an enhanced health plan pursuant to which we reimburse the participating officer for any eligible health expense not covered by our primary health plan, up to $10,000 per calendar year.

We have recently implemented a plan under which officers who meet minimum tenure qualifications will be provided health coverage after their retirement. The coverage we provide will be secondary to their Medicare coverage.

Each of our executive officers named in the table below is provided one automobile for which we pay the operating and maintenance costs. In addition to an automobile, Mr. Adams is provided a pickup truck.

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SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Fiscal Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)	Change in Pension Value and Deferred Nonqualified Compensation Earnings ($) (h)	All Other Compensation ($) (i)	Total ($) (j)
Fred R. Adams, Jr. CEO	2008	250,000	250,000	-0-	-0-	-0-	-0-	228,597	728,597
Adolphus B. Baker, COO	2008	223,461	215,000	-0-	-0-	-0-	-0-	749,711	1,188,172
Timothy A. Dawson, CFO	2008	167,230	163,000	-0-	-0-	-0-	-0-	260,295	590,525
Kenneth Paramore, Vice President	2008	99,299	87,332	-0-	-0-	-0-	-0-	362,910	549,541
Charles J. Hardin, Vice President	2008	85,751	122,980	-0-	-0-	-0-	-0-	473,674	682,405

Mr. Adams other compensation included life insurance premiums in the amount of $201,507 on policies where members of his family are beneficiaries, country club dues of $5,061, contributions to the ESOP for his account of $7,357 and medical reimbursements in the amount of $14,672.

Mr. Baker s other compensation includes country club dues of $11,746, insurance of $7,122, automobile reimbursement of $546, ESOP contributions of $7,357, medical reimbursements in the amount of $9,360, and deferred compensation of $38,700.

Mr. Dawson s other compensation includes $7,460 for personal use of an automobile, country club dues of $5,061, insurance premium of $1,613, medical reimbursement of $5,364 and ESOP contribution of $7,357, and deferred compensation of $29,340.

Mr. Paramore s other compensation includes $780 for personal use of an automobile, $17,613 deferred compensation, $65,117 for exercise of SARs, ESOP contribution of $7,357, and medical reimbursements of $10,260.

Mr. Hardin s other compensation includes $63,349 for exercise of SARs, deferred compensation of $15,210, $10,541 medical reimbursement, automobile reimbursement of $726, and ESOP contribution of $7,357.

Mr. Hardin and Mr. Paramore were not, at the end of fiscal 2008, nor are they now, executive officers of the Company. They are included in this table and in the table below as required by disclosure requirements applicable to highly compensated non-executive officers.

Compensation attributable to option exercise is shown in the table on page 12.

PLAN BASED AWARDS

No named executive officer received any plan based compensation during fiscal 2008.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Option Awards					Stock Awards			
Name (a)	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number Of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number Of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested ($) (h)	Equity Incentive Plan Awards: Number Of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)
Fred R. Adams, Jr., CEO	-0-	-0-	-0-	N/A	N/A	-0-	-0-	-0-	-0-
Adolphus B. Baker, COO	-0-	48,000	-0-	5.93	8-17-2015	N/A	N/A	N/A	N/A
Timothy A. Dawson, CFO	6,000	24,000	-0-	5.93	8-17-2015	N/A	N/A	N/A	N/A
Kenneth Paramore, Vice President	-0-	18,000	-0-	5.93	8-17-2015	N/A	N/A	N/A	N/A
Charles J. Hardin, Vice President	-0-	18,000	-0-	5.93	8-17-2015	N/A	N/A	N/A	N/A

OPTION EXERCISES AND STOCK VESTED

	Option Awards		Stock Awards	
	Number of Shares Acquired on	Value Realized	Number of Shares	Value Realized

Name (a)	Exercise (#) (b)	On Exercise ($) (c)	Acquired on Vesting (#) (d)	On Vesting ($) (e)
Fred R. Adams, Jr., CEO	-0-	-0-	-0-	-0-
Adolphus B. Baker, COO	32,000	674,880	-0-	-0-
Timothy A. Dawson, CFO	10,000	204,100	-0-	-0-
Kenneth Paramore, Vice President	11,400	261,783	-0-	-0-
Charles J. Hardin, Vice President	17,400	376,491	-0-	-0-

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PENSION BENEFITS

No named executive officer participates in any pension plan.

DIRECTOR COMPENSATION

Name (a)	Fees Earned or Paid in Cash ($) (b)	Gain on Exercise of Stock Appreciation Rights ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (f)	All Other Compensation ($) (g)	Total ($) (h)
R. Faser Triplett, M.D.	20,000	-0-	288,164	212,365	150,790		

Gross profit	141,867	132,498	200,645	192,216	199,165	178,377	145,618
Operating expenses	93,012	89,213	123,914	98,397	157,014	118,153	93,587
Operating income	48,855	43,285	76,731	93,819	42,151	60,224	52,031
Net income	$ 43,528	$ 30,467	$ 56,574	$ 75,226	$ 23,656	$ 39,985	$ 35,330

During 2004, the Bruker BioSpin Group recorded a pre-tax charge against operating income of $28.5 million to cover litigation expenses and probable liabilities associated with alleged patent infringement litigation by a competitor against the Bruker BioSpin Group. The related accrual was included in long-term other liabilities on the condensed consolidated balance sheet as of December 31, 2004. During 2005, a favorable settlement agreement was signed for various magnet patent litigation cases, which released the Bruker BioSpin Group from any infringement liabilities and, as a result, a pre-tax amount of $25.8 million of this liability was reversed, and this contributed positively to operating income in 2005.

	As of September 30, 2007 (in thousands)	As of December 31, (in thousands) 2006	2005	2004	2003	2002
Condensed Consolidated Balance Sheet:						
Cash and cash equivalents	$ 268,819	$ 259,094	$ 248,782	$ 237,758	$ 181,489	$ 195,598
Working capital	350,331	328,184	281,057	340,675	307,420	232,761
Total assets	792,292	762,669	727,893	797,616	739,881	612,219
Total debt	9,674	12,802	23,306	42,184	45,037	8,864
Other long-term liabilities	51,450	45,485	37,513	91,098	61,156	44,116
Total shareholders' equity	$ 410,761	$ 385,735	$ 335,160	$ 339,166	$ 321,531	$ 269,730

SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

We are providing the following selected Unaudited Pro Forma Condensed Combined Financial Data to provide you with a better understanding of what the results of operations and financial position of Bruker BioSciences might have been had the combination been completed at an earlier date. The Unaudited Pro Forma Condensed Combined Statements of Operations data for the nine months ended September 30, 2007 and 2006 and for the years ended December 31, 2006, 2005 and 2004 give effect to the combination as if it had been completed on January 1, 2004. The Unaudited Pro Forma Condensed Combined Balance Sheet data as of September 30, 2007 give effect to the combination as if it had been completed on that date.

We have prepared the selected Unaudited Pro Forma Condensed Combined Financial Data based on available information using assumptions that management believes are reasonable. For details about the assumptions used, see footnotes 3 and 4 to the unaudited pro forma condensed combined financial statements on pages [87 and 88]. The selected Unaudited Pro Forma Condensed Combined Financial Data are being provided for informational purposes only. They do not purport to represent Bruker BioSciences' actual financial position or results of operations had the combination occurred on the dates specified nor do they project Bruker BioSciences' results of operations or financial position for any future period or date.

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

The selected Unaudited Pro Forma Condensed Combined Data does not include any adjustments for liabilities resulting from integration planning, as management of Bruker BioSciences and the Bruker BioSpin Group are in the process of making these assessments, and estimates of these costs, if any, are not currently known.

The selected Unaudited Pro Forma Condensed Combined Financial Data should be read in conjunction with the Bruker BioSciences and the Bruker BioSpin Group audited and unaudited historical financial statements and related notes as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations." See "Where You Can Find More Information" on page [148].

	Nine Months Ended September 30,		Year Ended December 31,		
	2007	**2006**	**2006**	**2005**	**2004**
	(in thousands, except per share data)				
Unaudited Pro Forma Condensed Consolidated Statement of Operations Data:					
Total revenue	$ 689,377	$ 589,462	$ 850,476	$ 787,846	$ 811,823
Cost of revenue	381,223	320,859	450,853	429,841	461,624
Gross profit	308,154	268,603	399,623	358,005	350,199
Operating expenses	233,715	210,651	292,586	241,954	301,274
Operating income	74,439	57,952	107,037	116,051	48,925
Net income	47,054	25,428	56,452	66,485	1,547
Net income per share basic and diluted	$ 0.29	$ 0.16	$ 0.35	$ 0.42	$ 0.01

During 2004, the Bruker BioSpin Group recorded a pre-tax charge against operating income of $28.5 million to cover litigation expenses and probable liabilities associated with alleged patent infringement litigation by a competitor against the Bruker BioSpin Group. The related accrual was included in long-term other liabilities on the condensed consolidated balance sheet as of December 31, 2004. During 2005, a favorable settlement agreement was signed for various magnet patent litigation cases, which released the Bruker BioSpin Group from any infringement liabilities and, as a result, a pre-tax amount of $25.8 million of this liability was reversed, and this contributed positively to operating income in 2005.

		As of September 30, 2007
		(in thousands)
Unaudited Pro Forma Condensed Consolidated Balance Sheet:		
Cash and cash equivalents	$	195,623
Working capital		369,400
Total assets		1,162,261
Total debt		400,051
Other long-term liabilities		82,771
Total stockholders' equity		184,070

COMPARATIVE PER SHARE INFORMATION

The following table sets forth selected historical per share information of Bruker BioSciences and the Bruker BioSpin Group and unaudited pro forma consolidated per share information as of the nine months ended September 30, 2007 and 2006 and for the years ended December 31, 2006, 2005 and 2004, giving effect to the transactions described in the transaction agreements as if they had occurred on January 1, 2004.

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

The following information should be read in conjunction with the separate audited historical consolidated financial statements and related notes of Bruker BioSciences and the Bruker BioSpin Group, the unaudited pro forma condensed combined financial information and related notes of Bruker BioSciences and the selected historical and selected unaudited pro forma financial data, either included or incorporated by reference into this proxy statement. See "Where You Can Find More Information" beginning on page [148] and "Bruker BioSpin Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page [93]. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the combination of the Bruker BioSpin Group had been consummated as of the beginning of the earliest period presented, nor is it necessarily indicative of the future operating results or financial position of the combined company.

	Nine Months Ended September 30,		Year Ended December 31,			
	2007	2006	2006	2005	2004	2003
HISTORICAL BRUKER BIOSCIENCES						
Basic Net Income (loss) from continuing operations per share	$ 0.17	$ 0.09	$ 0.18	$ 0.10	$ (0.04)	$ (0.17)
Diluted Net Income (loss) from continuing operations per share	$ 0.16	$ 0.09	$ 0.18	$ 0.10	$ (0.04)	$ (0.17)
Book value per share at the end of the period	$ 2.24	$ 1.73	$ 1.87	$ 2.27	$ 2.36	$ 2.32

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	Nine Months Ended September 30,		Year Ended December 31,			
	2007	2006	2006	2005	2004	2003
HISTORICAL BRUKER BIOSPIN GROUP						
Book value at the end of the period* (in thousands)	$ 410,761	$ 355,442	$ 385,735	$ 335,160	$ 339,166	$ 321,531

* Aggregate book value of the combined Bruker BioSpin Group has been presented as the structure of the equity capitalization of certain Bruker BioSpin Group companies makes per share calculations impracticable.

	Nine Months Ended September 30,		Year Ended December 31,		
	2007	2006	2006	2005	2004
UNAUDITED BRUKER BIOSCIENCES PRO FORMA COMBINED					
Pro Forma Net Income from continuing operations per share Basic and Diluted	$ 0.29	$ 0.16	$ 0.35	$ 0.42	$ 0.01
Pro forma book value per share at the end of the period	$ 1.12				

PER SHARE MARKET PRICE DATA AND DIVIDEND INFORMATION

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

	Bruker BioSciences Common Stock Price					
	For the Fiscal Year Ended December 31, 2007		For the Fiscal Year Ended December 31, 2006		For the Fiscal Year Ended December 31, 2005	
	High	Low	High	Low	High	Low
First Quarter	$ 10.90	$ 7.07	$ 5.45	$ 4.24	$ 4.14	$ 3.16
Second Quarter	$ 11.56	$ 8.08	$ 6.26	$ 4.52	$ 4.49	$ 3.07
Third Quarter	$ 9.29	$ 6.30	$ 7.33	$ 5.19	$ 4.69	$ 3.86
Fourth Quarter	$ 13.49	$ 8.42	$ 8.47	$ 6.70	$ 5.60	$ 3.97

Recent Share Price

On November 30, 2007, the last trading day before the combination was announced, the closing price of Bruker BioSciences common stock as reported on the NASDAQ Global Select Market was $9.29 per share. The closing sale price of Bruker BioSciences common stock as reported on the NASDAQ Global Select Market on [December 5, 2007] was $[12.23] per share. As of that date there were [132] holders of record of Bruker BioSciences common stock based on information provided by our transfer agent. The number of stockholders of record does not reflect the actual number of individual or institutional stockholders that own Bruker BioSciences common stock because most stock is held in the name of nominees. There are a substantially greater number of beneficial owners of Bruker BioSciences common stock.

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

Dividend Information

We have not declared or paid any dividends on Bruker BioSciences' common stock since our inception and do not intend to pay any dividends on our common stock in the foreseeable future. We currently intend to retain available funds for use in our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon, among other things, our financial condition, results of operations and capital requirements. The terms of some of our outstanding indebtedness and new credit facilities prohibit us from paying cash dividends.

Historically, the companies of the Bruker BioSpin Group have from time to time declared and paid dividends to shareholders from retained earnings. In accordance with German and Swiss law, dividends from the German and Swiss companies have been declared and paid only from retained earnings (after deduction of certain reserves) shown in the companies' local statutory financial statements, which differs from that shown on U.S. GAAP financial statements as a result of different bases of accounting.

In November 2007, Bruker BioSpin Invest declared a dividend to shareholders of 75 million Swiss Francs. The dividend was paid on December 21, 2007. Based on the exchange rate of $0.86 U.S. Dollars per Swiss Franc as of the payment date, the dividend was equivalent to approximately $64.8 million. In July 2007, Bruker BioSpin Inc. declared and paid dividends to shareholders of $5.0 million. In April 2007, Bruker BioSpin Invest declared and paid dividends to shareholders of $37.6 million.

In 2006 and 2005, Bruker BioSpin Invest declared and paid dividends of approximately $28.9 million and $22.2 million, respectively. In 2006 and 2005, Bruker BioSpin Inc. declared and paid dividends of $0 and $5.0 million respectively. In 2006 and 2005, Bruker Physik declared and paid dividends of approximately $0.5 million and $6.4 million, respectively.

The following table sets forth dividends declared by the combined Bruker BioSpin Group during the nine months ended September 30, 2007 and 2006, and for the fiscal years ended December 31, 2007, 2006, 2005, 2004, 2003 and 2002.

Bruker BioSpin Group
Dividends Declared
(in thousands)

Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006	Year Ended December 31,				
		2006	2005	2004	2003	2002
$ 42,641	$ 29,518	$ 29,518	$ 33,640	$ 38,882	$ 25,929	$ 28,730

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RISK FACTORS

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

Although Bruker BioSciences expects that the combination with the Bruker BioSpin Group will result in benefits to Bruker BioSciences, the combined company may not realize those benefits because of integration difficulties and other challenges.

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

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

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

The market price of Bruker BioSciences common stock may decline as a result of the combination with the Bruker BioSpin Group.

The market price of Bruker BioSciences' common stock may decline as a result of the combination with the Bruker BioSpin Group if:

- Bruker BioSciences does not achieve the perceived benefits of the combination as rapidly as, or to the extent anticipated by, financial or industry analysts; or
- The effect of the combination on Bruker BioSciences' financial results is not consistent with the expectations of financial or industry analysts. Accordingly, investors may experience a loss as a result of a decreasing stock price and Bruker BioSciences may not be able to raise future capital, if necessary, in the equity markets.

As a result of the transactions, our overall debt level will increase, which may limit our ability to obtain future financing and may affect the growth of our business.

As a result of the transactions, our overall debt level will increase from approximately $48.7 million at September 30, 2007, to approximately $400.0 million at such date on a pro forma basis after giving effect to the transactions. After the completion of the transactions, our level of debt and

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other obligations could have significant adverse consequences on the business and future prospects of the combined company, including the following:

- the combined company may not be able to obtain financing in the future for working capital, capital expenditures, acquisitions, debt service requirements or other purposes;

- less levered competitors could have a competitive advantage because they have lower debt service requirements; and

- the combined company may be less able to take advantage of significant business opportunities and to react to changes in market or industry conditions than its competitors due to payments required on its credit facilities.

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

Our chief executive officer and chairman of the board, Frank H. Laukien, and the other members of the Bruker BioSpin Group Shareholders own stock in both Bruker BioSciences and the Bruker BioSpin Group. Bruker BioSpin Group Shareholders own or control 100% of the shares of the Bruker BioSpin Group. 57,544,872 shares of Bruker BioSciences common stock will be issued to the Bruker BioSpin Group Shareholders, in connection with the combination. Following the combination, the Bruker BioSpin Group Shareholders, would own, in the aggregate, approximately 69% of the outstanding shares of common stock of Bruker BioSciences. The Bruker BioSpin Group Shareholders will also receive $388 million in cash as part of the transaction consideration. In addition, on December 21, 2007, the Bruker BioSpin Group companies made a one time 75 million Swiss Franc dividend payment (approximately $64.8 million based on the exchange rate of $0.86 U.S. Dollars per Swiss Franc on the dividend payment date) to the Bruker BioSpin Group Shareholders. Although the Bruker BioSciences board of directors appointed an independent special committee to determine the advisability of and to negotiate the terms of the transactions, you should take the potential conflicts of interest of the Bruker BioSpin Group Shareholders into account when determining whether to approve the proposed transactions.

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

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

The issuance of 57,544,872 shares of Bruker BioSciences common stock to the shareholders of the Bruker BioSpin Group companies in the combination will substantially reduce the percentage interests of Bruker BioSciences stockholders.

If the transactions are completed, 57,544,872 million shares of Bruker BioSciences common stock will be issued to current shareholders of the Bruker BioSpin Group, and former Bruker BioSpin Group shareholders will own approximately [69]% of the outstanding common stock of Bruker BioSciences after the transactions. The issuance of these shares to current shareholders of the Bruker BioSpin Group will cause a reduction in the relative percentage interests of current Bruker BioSciences stockholders in earnings, voting, liquidation value and book and market value. The issuance of shares of Bruker BioSciences common stock at any implied premium would likely result in dilution to the market price of Bruker BioSciences common stock. The issuance of additional shares in future transactions could further reduce the percentage interests of current Bruker BioSciences stockholders and Bruker BioSpin Group shareholders.

The Bruker BioSpin Group operates in a mature market and has achieved a high market share and, as a result, the potential for future growth may be limited.

The markets for NMR, research MRI and EPR are well established. The Bruker BioSpin Group has a high market share and, as a result, future growth may be limited to the growth of the overall market for NMR, research MRI and EPR products. While this growth has been steady, when measured over long time periods, future growth may depend on new applications developed by academic and industrial customers, and in most cases outside the control of the Bruker BioSpin Group.

The increasing prices of metal raw materials and superconducting wire could adversely affect the gross margins and profitability of the Bruker BioSpin Group and its superconducting wire business.

The last few years have seen sharp increases in the prices for various raw materials, in part due to high demand from developing countries. The Bruker BioSpin Group relies on some of these materials for the production of its products. In particular, for the Bruker BioSpin Group's superconducting magnet production, both for the horizontal and vertical magnet series, the Bruker BioSpin Group relies on the availability of copper, steel and the metallic raw materials for traditional low-temperature superconducting wires. Higher prices for these commodities will increase the production cost of superconducting wires and superconducting magnets and may adversely affect gross margins.

The price of copper has increased significantly over the last decade. Since copper is a main constituent of low temperature superconductors, this may affect the price of superconducting wire. This type of increase would have an immediate effect on the production costs of superconducting magnets and may negatively affect the profit margins for those products. In addition, an increase in raw material cost affects the production cost of the superconducting wire produced by the Bruker BioSpin Group.

The emerging risk of liquid helium becoming scarce and significantly more expensive could dampen the demand for NMR and research MRI products.

The demand for helium has risen sharply over the last decade. The superconducting magnets used in magnetic resonance rely on liquid helium for their operation. The high global demand, in combination with a shortage in supply, has caused prices for liquid helium to rise significantly. This has an adverse effect on the operating costs for magnetic resonance equipment, and may dampen demand for NMR, EPR and research MRI magnets in the future.

The Bruker BioSpin Group has always operated as a private company and does not have in place the financial organization, reporting and controls necessary for a public company.

Since its formation, the Bruker BioSpin Group has always operated as a private company. It has never put in place the financial organization, reporting and controls which are required for a U.S. public company. The cost of implementing this type of financial organization, reporting and controls may be significant, and compliance with U.S. public company requirements, including those implemented as part of the Sarbanes-Oxley Act 2002, may have an adverse effect on the operations of the Bruker BioSpin Group. If those limitations caused Bruker BioSciences to miss a reporting deadline or otherwise not comply with an applicable law or regulation, Bruker BioSciences might, among other things, be unable to use a Form S-3 registration statement for twelve months, have a material weakness in its internal controls or violate its bank covenants.

The Bruker BioSpin Group develops and manufactures superconducting magnets with significant product liability risks.

The nuclear magnetic resonance (NMR), research magnetic resonance imaging (MRI), Fourier transform mass spectrometry (FTMS), and certain electron paramagnetic resonance (EPR) magnets of the Bruker BioSpin Group utilize high magnet fields and cryogenics to operate at approximately 4 Kelvin, the temperature of liquid helium. There is an inherent risk of potential product liability due to the existence of these high magnetic fields, associated stray fields outside the magnet, and the handling of the cryogens associated with superconducting magnets.

The Bruker BioSpin Group depends on various sole source suppliers.

The Bruker BioSpin Group obtains various components for its products from sole or limited source suppliers. There are limited, if any, available alternatives to these suppliers. The existence of shortages of these components or the failure of delivery with regard to these components could have a material adverse effect upon the Bruker BioSpin Group's revenues and margins. In addition, price increases from these suppliers could have a material adverse effect upon the gross margins of the Bruker BioSpin Group.

CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

STOCKHOLDER MEETING

This proxy statement and the enclosed Proxy Card are furnished in connection with the solicitation of proxies by the board of directors of Bruker BioSciences for use at the 2008 Special Meeting of Stockholders and at any adjournment thereof. The approximate date on which this proxy statement and form of proxy are first being sent to stockholders is [ ], 2008.

Date, Time and Place of Stockholder Meeting

As set forth in the notice of meeting, the Bruker BioSciences 2008 Special Meeting of Stockholders is scheduled to be held on [ ], 2008 at 9:00 a.m. at the office of Nixon Peabody LLP, 100 Summer Street, Boston, Massachusetts.

Purpose

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

- a proposal to approve the transactions contemplated by the U.S. stock purchase agreement, dated as of December 2, 2007, by and among Bruker BioSciences, Bruker BioSpin Inc. and the stockholders of Bruker BioSpin Inc. relating to the acquisition of Bruker BioSpin Inc. by Bruker BioSciences;
- a proposal to approve the transactions contemplated by the German share purchase agreement, dated as of December 2, 2007, by and among Bruker BioSciences, Bruker Physik, Bruker Optik, Bruker Daltonik, SciTec, Techneon and the shareholders of Bruker Physik and Techneon relating to the acquisition of Bruker Physik by Bruker BioSciences;
- a proposal to approve the transactions contemplated by the Swiss merger agreement, dated as of December 2, 2007, by and among Bruker BioSciences, Bruker BioSpin Invest, Bruker BioSpin Beteiligungs and the shareholders of Bruker BioSpin Invest relating to the merger of Bruker BioSpin Beteiligungs with and into Bruker BioSpin Invest, and to approve the issuance of shares of Bruker BioSciences common stock in connection with the merger;
- a proposal to amend the Bruker BioSciences certificate of incorporation to increase the number of shares of common stock authorized for issuance from 200,000,000 to 260,000,000;
- a proposal to amend the Bruker BioSciences amended and restated stock option plan to increase the number of shares of common stock for which options and restricted stock may be granted under the stock option plan from 8,000,000 to 10,000,000;
- a proposal to amend the Bruker BioSciences certificate of incorporation to change the name of Bruker BioSciences Corporation to Bruker Corporation;
- a proposal to elect one Class II Director to hold office until the 2008 Annual Meeting of Stockholders and one Class III Director to hold office until the 2009 Annual Meeting of Stockholders; and
- to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Although the first through the third transaction proposals are separate matters to be voted upon by Bruker BioSciences' stockholders, each is expressly conditioned upon the approval of the other two transaction proposals. Even if our stockholders approve one of these three proposals, Bruker BioSciences will not complete the transaction contemplated by that proposal unless the Bruker BioSciences stockholders also approve each of the other two transaction proposals by the requisite vote, so that all transactions can be completed as described in this proxy statement.

The fourth through seventh proposals listed above are separate matters to be voted upon by the stockholders of Bruker BioSciences, but are expressly conditioned upon the approval of each of the first three transaction proposals listed above. This means that even if the stockholders of Bruker

BioSciences approve one or more of proposals 4 through 7, Bruker BioSciences will not complete the transaction contemplated by that proposal unless the stockholders also approve each of the first three proposals described above, so that all transactions can be completed as described in this proxy statement.

Record Date

Only stockholders of record at the close of business on January [11], 2008 are entitled to notice of and to vote at the Special Meeting. On January [11], 2008, Bruker BioSciences had outstanding and entitled to vote [ ] shares of common stock. Each outstanding share of common stock entitles the record holder to one vote. Votes will be tabulated by our transfer agent and the inspector of elections, who will be one of our employees or one of our attorneys.

Vote Required for Approval

Transactions and Share Issuance. The transactions contemplated by each of the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement, including the share issuance, must be approved by the affirmative vote of the holders of a majority of the shares of Bruker BioSciences common stock present or represented by proxy at the Special Meeting and entitled to vote. The transactions contemplated by the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement must also be approved by the affirmative vote of holders of shares of Bruker BioSciences common stock who are unaffiliated with the Bruker BioSpin Group Shareholders and who represent at least a majority of the total votes cast by these unaffiliated holders at the Special Meeting.

Proposals to Amend our Certificate of Incorporation. The affirmative vote of the holders of a majority of the shares of Bruker BioSciences common stock outstanding as of the record date is required to adopt and approve each of the proposals to amend our certificate of incorporation.

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

Elections of Directors. Directors shall be elected by a plurality of the votes of the shares of common stock present in person or represented by proxy at the Special Meeting and entitled to vote. This means that the two candidates for election as directors at the Special Meeting who receive the highest number of affirmative votes will be elected.

As of the record date, Bruker BioSciences directors and executive officers and their affiliates owned approximately [52]% of the outstanding shares of Bruker BioSciences' common stock. The Bruker BioSpin Group Shareholders, including Frank H. Laukien, Dirk Laukien and Joerg Laukien, who are parties to the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement, have covenanted under the terms of those agreements to vote all of their shares of Bruker BioSciences in favor of the transactions and related share issuance. These shares represent approximately [52]% of the voting power of Bruker BioSciences entitled to vote at the stockholder meeting and, under our bylaws and NASDAQ rules, are sufficient to approve the proposals regarding the transactions and related share issuance. However, the terms of each transaction agreement provide that the transactions contemplated by the transaction agreements are subject to approval by holders of shares of Bruker BioSciences common stock who are unaffiliated with the Bruker BioSpin Group Shareholders and who represent at least a majority of the total votes cast by these unaffiliated holders at the Special Meeting.

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

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

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

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

Solicitation of Proxies

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

Recommendations of the Board of Directors

The board of directors of Bruker BioSciences unanimously determined that each of the transaction agreements and the transactions contemplated by the transaction agreements including the combination with the Bruker BioSpin Group are advisable, voted to approve each of the transaction agreements and recommends that the stockholders vote:

FOR Proposal No. 1, the purchase of Bruker BioSpin Inc.;

FOR Proposal No. 2, the purchase of Bruker Physik and Techneon;

FOR Proposal No. 3, the approval of a merger agreement with Bruker BioSpin Invest to acquire the equity of Bruker BioSpin Invest;

FOR Proposal No. 4, the amendment to the certificate of incorporation to increase the number of shares of common stock authorized for issuance from 200,000,000 to 260,000,000;

FOR Proposal No. 5, the amendment to the amended and restated stock option plan to increase the number of shares of common stock for which options and restricted stock may be granted under the stock option plan from 8,000,000 to 10,000,000;

FOR Proposal No. 6, the amendment to the certification of incorporation to change our name to Bruker Corporation; and

FOR the election of each of the directors nominated for election in Proposal No. 7.

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

PROPOSALS 1 THROUGH 3: THE TRANSACTIONS AND THE ISSUANCE OF SHARES IN CONNECTION WITH THE COMBINATION

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

General

Bruker BioSciences' board of directors is using this proxy statement to solicit proxies from the holders of Bruker BioSciences common stock for use at the Bruker BioSciences 2008 Special Meeting.

Proposals

At the Special Meeting, holders of Bruker BioSciences common stock are being asked to vote on, among other items, the acquisitions of Bruker BioSpin Inc., Bruker Physik, and Techneon and the merger of Bruker BioSpin Beteiligungs with and into Bruker BioSpin Invest, and the issuance of shares of Bruker BioSciences common stock in connection with the transactions.

The combination will not be completed unless Bruker BioSciences' stockholders approve each of the transactions and the issuance of shares of Bruker BioSciences common stock in connection with the transactions.

Background of the Combination

From time to time, the board of directors of Bruker BioSciences and the Bruker BioSpin Group Shareholders, each have separately considered strategic alternatives and business combinations.

During January, February and March 2007, the Bruker BioSpin Group Shareholders considered the possibility of a business combination with Bruker BioSciences. While the Bruker BioSpin Group Shareholders did not reach any conclusion during their discussions, the Bruker BioSpin Group Shareholders agreed that they would continue their internal deliberations.

On April 2, 2007, during a telephonic meeting of the board of directors of Bruker BioSciences, Frank Laukien, the Chairman, Chief Executive Officer and President of Bruker BioSciences, who is also one of the owners of the Bruker BioSpin Group and an officer and director of various of the Bruker BioSpin Group of companies, informed the Bruker BioSciences board of directors of the possible interest of the Bruker BioSpin Group Shareholders in considering a business combination. The board discussed the possibility of a potential transaction and various considerations relating to such a transaction. The board considered the establishment of a special committee to deal with such a possible transaction, but determined that the topic should be deferred pending further consideration at the next board meeting.

After the April 2, 2007 Bruker BioSciences Board telephonic meeting, the independent directors of Bruker BioSciences established an informal working group of independent directors to consider the possibility of a future business combination with the Bruker BioSpin Group. William Linton, the lead director of Bruker BioSciences, was joined on the informal working group by Collin D'Silva and Richard Kniss.

In April 2007, the independent working group established informal contacts with three investment banks in order to obtain their initial reaction and informal views on a potential acquisition of the

Bruker BioSpin Group. Two investment banks were invited to give telephonic presentations to the informal working group in April 2007, including strategic rationale, potential investor perception and potential valuation ranges.

At a May 2, 2007 board of directors meeting of Bruker BioSciences, Mr. Linton presented the board with an update of the informal working group's views on a potential business combination with the Bruker BioSpin Group, assuming the Bruker BioSpin Group Shareholders would be interested in pursuing such a transaction. Frank Laukien and William Knight, the Bruker BioSciences Chief Financial Officer, also informed the board that several significant financial investors in Bruker BioSciences during recent visits to the company and during phone conversations had urged Bruker BioSciences to very seriously consider and explore a potential combination with the Bruker BioSpin Group.

During April, May, June and July 2007, the Bruker BioSpin Group Shareholders continued their deliberations concerning the desirability of a potential combination with Bruker BioSciences while the independent working group of the Board had various discussions with Frank Laukien regarding the possible transaction.

On July 18, 2007, four of the owners of the Bruker BioSpin Group met and decided that the feasibility, desirability and structural/tax consequences of a business combination with Bruker BioSciences should be more seriously explored and that discussions of that topic with the independent directors on the board of Bruker BioSciences should be initiated.

On August 1, 2007, at a meeting of the Bruker BioSciences board of directors, Frank Laukien informed the Board of this more serious interest from the owners of the Bruker BioSpin Group. The board engaged in an extensive discussion regarding the rationale for a possible business combination and strategic alternatives. Among the topics discussed were the benefit to customers, the impact on the public stockholders of Bruker BioSciences, synergies, the Bruker BioSpin Group financial results and the Bruker BioSpin Group forecast. The various conflicts present in connection with a possible transaction with the Bruker BioSpin Group were also discussed. The board decided that if the matter were to proceed, it should do so under the auspices of the independent directors. As a result, the board of directors created a special committee of independent directors, consisting of Messrs. Linton, D'Silva and Kniss, and chaired by lead director William Linton.

All members of the special committee are independent directors within the meaning of the listing standards of the NASDAQ Stock Market, and are unaffiliated with the Bruker BioSpin Group Shareholders. The tasks of the special committee were: (i) to consider the advisability of the proposed acquisition of the Bruker BioSpin Group, (ii) if it concluded that the acquisition was advisable, to negotiate on behalf of Bruker BioSciences, (iii) to negotiate the terms of the acquisition, and (iv) to recommend to the board of directors of Bruker BioSciences whether the acquisition was in the best interest of the stockholders of Bruker BioSciences who are not affiliated with the Bruker BioSpin Group Shareholders. The special committee was authorized to retain its own financial and legal advisers to assist it in discharging those responsibilities. The board received presentations on the Bruker BioSpin Group by Barbara Burgess, the Vice President of Finance and Chief Accounting Officer of the Bruker BioSpin Group companies located in the United States, Mark Chaykovsky, the Executive Vice President of U.S. NMR Sales for the Bruker BioSpin Group and Werner Maas, an Executive Vice President of the Bruker BioSpin Group.

During the August 1, 2007 board meeting, the owners of the Bruker BioSpin Group also communicated that Dirk Laukien and Joerg Laukien together would be the designated negotiators for the Bruker BioSpin Group, and that Bernhard Wangler would in particular represent the interests of the Bruker BioSpin Group's largest shareholder Isolde Laukien-Kleiner. It was also determined that for the purposes of a potential Bruker BioSciences acquisition of the Bruker BioSpin Group, Frank Laukien, as well as director and counsel Richard Stein and his law firm Nixon Peabody LLP, would support all parties in the process in a neutral fashion with information, due diligence, tax and structure advice and logistical support, but would not be negotiating for either party.

On August 13, 2007, the special committee held its first meeting. At that meeting, the committee retained Dewey & LeBoeuf LLP to act as its legal advisor. Dewey Ballantine LLP, a predecessor of Dewey & LeBoeuf, previously acted as legal advisor to the special committee of Bruker BioSciences' board of directors in connection with the acquisition of Bruker Optics Inc. in 2006 and as advisor to the special committee of Bruker Daltonics' board of directors in connection with its merger with Bruker AXS in 2003. Also at that meeting, the committee members reviewed their qualifications and confirmed that they were free from conflicts of interest with respect to the Bruker BioSpin Group owners. Representatives of Dewey & LeBoeuf briefed the committee on its fiduciary duties and the anticipated operation of the special committee process.

On August 16, 2007, the special committee interviewed potential financial advisors. The committee subsequently determined to retain Bear, Stearns & Co. Inc. as its financial advisor. Bear Stearns previously acted as financial advisor to the special committee of Bruker BioSciences' board of directors in connection with the acquisition of Bruker Optics Inc. and as financial advisor to the special committee of Bruker Daltonics' board of directors in connection with its merger with Bruker AXS.

Throughout the period from mid-August through the end of November 2007, members of Bruker BioSpin Group management, members of the special committee and their respective financial, legal and tax advisors in the United States, Germany and Switzerland engaged in a series of meetings, telephone conference calls and email exchanges to consider and discuss various valuation, structural, due diligence and tax issues related to the proposed business combination, including those meetings referred to below.

On September 4, 2007, representatives of the Bruker BioSpin Group presented a corporate and financial overview of the Bruker BioSpin Group to Bruker BioSciences management, Bear Stearns and Dewey & LeBoeuf.

On September 12, 2007, the special committee met with its advisors to receive a report of the results of the September 4, 2007 meeting and to discuss the structure of the transaction proposed by Bruker BioSciences and Bruker BioSpin Group management. At this meeting, Bear Stearns provided the special committee with its preliminary views regarding financial information relating to the Bruker BioSpin Group.

On September 14, 2007, representatives of the Bruker BioSpin Group delivered a telephonic and powerpoint webex presentation to the special committee and its advisors regarding the Bruker BioSpin Group's business and historical financial results.

On September 19, 2007, the special committee met with its advisors. At this meeting, the committee and Bear Stearns discussed the preliminary, pre-due diligence valuation of the Bruker BioSpin Group and the special committee's perspectives as to the strategic rationale for the combination. The special committee directed Bear Stearns to propose to the owners of the Bruker BioSpin Group a purchase price offer range of between $800 million and $850 million for all capital stock of the Bruker BioSpin Group, all subject to an assessment of the strategic rationale of the proposed acquisition, further financial and tax analysis, and satisfactory completion of due diligence.

That same day, representatives of Bear Stearns met with Dirk Laukien, Joerg Laukien, Frank Laukien and William Knight, the Chief Financial Officer of Bruker BioSciences. At that meeting, Bear Stearns presented the special committee's purchase price offer range of between $800 million and $850 million for all capital stock of the Bruker BioSpin Group.

On September 30, 2007, on behalf of the special committee, Mr. Linton met in person and telephonically with Dirk Laukien, Joerg Laukien and Bernhard Wangler to discuss the purchase price for the proposed acquisition. At this meeting, the representatives of Bruker BioSpin estimated the value of the Bruker BioSpin Group to be in excess of $1.2 billion. Mark Chaykovsky and William Knight were also in attendance. Frank Laukien was also present during this discussion but did not actively participate.

On October 2, 2007, representatives of Bear Stearns and William Knight met with Dirk Laukien to discuss the proposed valuation of the Bruker BioSpin Group, potential synergies arising from a combination of Bruker BioSciences and the Bruker BioSpin Group and Bruker BioSciences' strategic rationale for the combination. At this meeting, Dirk Laukien advised Bear Stearns that the owners of Bruker BioSpin Group intended to cause the Bruker BioSpin Group to pay a dividend of approximately $66 million (later modified to 75 million Swiss Francs) prior to the closing of any transaction, with the understanding that the purchase price would be reduced to reflect the payment of such dividend. At this meeting Dirk Laukien also stated that the owners of the Bruker BioSpin Group would not accept a purchase price of less than $980 million, on a pre-dividend basis (or $914 million, on a post-dividend basis). Frank Laukien was present during this discussion but did not actively participate.

On October 3, 2007, the special committee met with its advisors and Bruker BioSciences management. At this meeting, Mr. Linton reported the results of the September 30, 2007 meeting and representatives of Bear Stearns reported the results of the October 2, 2007 meeting. Bruker BioSciences management delivered to the special committee an analysis of Bruker BioSciences' strategic rationale for the possible combination and potential synergies arising from such combination. The special committee discussed the proposed valuation of the Bruker BioSpin Group with its advisors and authorized Mr. Linton to convey to the owners of the Bruker BioSpin Group the special committee's updated offer to acquire the Bruker BioSpin Group for a purchase price of $900 million in cash and stock, on a post-dividend basis. Also at that meeting, representatives of Dewey & LeBoeuf led a discussion of the special committee's fiduciary duties.

On October 4, 2007, on behalf of the special committee, Mr. Linton met with Dirk Laukien to discuss, among other things, the special committee's view as to the valuation of the Bruker BioSpin Group. Frank Laukien was also present during this discussion but did not actively participate. The following day, the owners of the Bruker BioSpin Group reiterated their view to the special committee that they would be willing to sell the Bruker BioSpin Group for a purchase price of $914 million in cash and stock, on a post-dividend basis.

On October 9, 2007, the special committee met with its advisors to review the status of the negotiations with the owners of the Bruker BioSpin Group regarding valuation. After a thorough review of the prospects of the Bruker BioSpin Group and potential synergies from the combination, the special committee authorized Mr. Linton to convey an updated offer for the acquisition of the Bruker BioSpin Group for a purchase price of $914 million in cash and stock, on a post-dividend basis.

On October 11, 2007, a proposed letter of intent was presented to the owners of the Bruker BioSpin Group by Dewey & LeBoeuf on behalf of the special committee.

On October 12, 2007, a non-binding letter of intent was executed by all parties. The letter of intent provided, among other things, for a purchase price of $388 million in cash, a number of Bruker BioSciences shares equal to $526 million based on the trailing ten trading day average closing price of Bruker BioSciences common stock ending two trading days prior to the signing of the transaction agreement, provided that the average closing price was between $8.25 and $9.15 per share, a pre-closing dividend payable by Bruker BioSpin Group to its shareholders of $66 million (later modified to 75 million Swiss Francs) and commitments by these shareholders to negotiate exclusively with Bruker BioSciences and to grant Bruker BioSciences and its advisors full access to its operations to conduct due diligence. The letter of intent also provided that the execution of definitive agreements for the transaction would be conditioned on delivery of satisfactory Bruker BioSpin Group financial statements as of and for the periods ended September 30, 2007 and 2006 and the satisfactory completion by Bruker BioSciences of its financial, legal and business due diligence investigation of the Bruker BioSpin Group.

The special committee's advisors initially met with representatives of the Bruker BioSpin Group to commence their due diligence investigation on October 16, 2007. During the following weeks, the special committee's advisors met with Bruker BioSpin Group representatives on numerous occasions, reviewed legal and financial documents and conducted site visits at Bruker BioSpin Group facilities.

On behalf of the special committee, Dewey & LeBoeuf transmitted the initial draft of the U.S. stock purchase agreement on November 7, 2007, and on November 14, 2007 Dewey & LeBoeuf transmitted the initial drafts of the Swiss agreement and plan of merger and the German share purchase agreement. On November 19, 2007, the special committee received comments to the stock purchase agreements and the merger agreement from the Bruker BioSpin Group owners. From November 19, 2007 to December 1, 2007, Dewey & LeBoeuf conducted numerous conference calls with representatives of the Bruker BioSpin Group owners and representatives of the special committee during which the comments of the parties were discussed and resolved.

On November 9, 2007, the special committee met with its advisors to receive an update on the progress of the due diligence efforts of Bear Stearns, Dewey & LeBoeuf and Pestalozzi Lachenal Patry, counsel in Switzerland to the special committee.

On November 13, 2007, Bear Stearns presented to the special committee the preliminary results of its review of the financial aspects of the proposed combination. Also at that meeting, Dewey & LeBoeuf updated the special committee on their legal due diligence findings.

At a meeting of the special committee on November 16, 2007, Bruker BioSciences' financial management reported to the special committee its observations with respect to the internal controls, accounting policies and financial reporting function of the Bruker BioSpin Group.

On November 19, 2007, the special committee met to receive an update on the status of the negotiations and ongoing due diligence review of the Bruker BioSpin Group. Independent directors of Bruker BioSciences who were not members of the special committee also participated in the meeting. At that meeting, Bear Stearns presented a draft of its financial analysis related to the proposed acquisition of the Bruker BioSpin Group.

On November 30, 2007, the special committee met with its advisors to discuss the status of the negotiation of the transaction agreements.

On December 1, 2007, the Bruker BioSpin Group unaudited financial statements as of and for the periods ended September 30, 2007 and 2006 and the audited financial statements as of and for the periods ended December 31, 2006 and 2005 were distributed to the Bruker BioSciences board of directors.

On December 2, 2007, the special committee met with its advisors, representatives of Ernst & Young LLP, the independent auditors of the Bruker BioSpin Group, and representatives of Bruker BioSpin and Bruker BioSciences management to discuss the financial statements of the Bruker BioSpin Group and the results of the Ernst & Young audit of the annual statements and its review of the September 30, 2007 and 2006 statements. Independent directors of Bruker BioSciences who were not members of the special committee also participated in the meeting.

Also at this meeting, Bear Stearns delivered its oral opinion, which was subsequently confirmed in writing, that as of December 2, 2007, and based upon and subject to the assumptions, qualifications and limitations set forth in the written opinion, the aggregate consideration to be issued in the transactions was fair, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own shares of the Bruker BioSpin Group companies.

Dewey & LeBoeuf provided a summary of the terms of the transaction. The special committee then voted unanimously to approve the transaction and to recommend its approval by the full board of Bruker BioSciences.

A meeting of the Bruker BioSciences board of directors was convened immediately after the adjournment of the special committee meeting, at which the special committee reported on its vote, after which the independent members of the board also unanimously voted in favor of the transaction and recommended that it be approved and adopted by the stockholders of Bruker BioSciences.

Reasons for the Combination

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

The complementary nature of the businesses of Bruker BioSciences' subsidiaries, Bruker AXS, Bruker Daltonics and Bruker Optics, with that of the Bruker BioSpin Group would allow for potential strategic benefits, including enhancing Bruker BioSciences' position as a leading tools supplier for life science and materials research, offering a broader technology base, and providing an increased distribution, sales and service infrastructure;

Acquiring the Bruker BioSpin Group would allow Bruker BioSciences to increase its critical mass competitively and improve its worldwide geographical distribution coverage in the Americas, Europe and Asia;

The combined companies, with expected 2007 pro forma revenues of greater than $900 million, together will be able to better leverage the excellent "Bruker" brand recognition among customers, and will make the combined company a large player in the analytical instruments and life-science tools industry; the nearly doubled larger overall combined company size may positively affect certain customer vendor selections in cases where customers prefer to buy from large companies in the industry.

The sales groups of Bruker BioSciences' subsidiaries and the Bruker BioSpin Group will be able to offer jointly each other's products, providing opportunities to supply customers with unique equipment packages that have a broader range of applications and value. In selected locations, Bruker BioSciences' products can be showcased together with the Bruker BioSpin Group's products, providing greater visibility to customers and emphasizing the synergies among the products;

The combination offers certain cost savings in areas of marketing through the use of joint representation at trade shows and other events. In addition, lead generation can increase for the integrated company as customer databases are integrated;

Joint R&D projects can offer opportunities to provide new solution strategies for customers;

The NMR technologies of the Bruker BioSpin Group and the accurate-mass electrospray time-of-flight (ESI-TOF) mass spectrometers of Bruker Daltonics are particularly complementary in small molecule analysis applications in metabolomics, nutritional research, toxicology, forensics, and small molecule biomarker research and validation;

The ultra-high field NMR technologies of the Bruker BioSpin Group and the single-crystal diffraction X-ray spectrometers of Bruker AXS are particularly complementary in small molecule and protein three-dimensional structure determination;

The combined Bruker BioSpin and Bruker Daltonics operating companies will post-closing explore a combined effort in clinical research systems, molecular diagnostics and molecular imaging, drawing primarily on NMR, research MRI and mass spectrometry technologies;

The established corporate governance, as well as the financial and controlling organizations of Bruker BioSciences, can assist the Bruker BioSpin Group in NASDAQ and SEC compliance, introduction of Sarbanes-Oxley control processes, etc. in a cost-effective manner, and without significant expected increases in the general and administrative expenses of the Bruker BioSpin Group;

The transaction on a pro forma basis is highly accretive for Bruker BioSciences shareholders for the year 2006 and for the nine-month period ending September 30, 2007;

The debt leverage planned after the closing of the transaction and the funding of the planned senior credit facility is considered conservative, the interest spreads achieved are considered favorable, the planned debt push-down structure is considered reasonably tax effective, and the combined expected cash-flow profile of the combined companies is expected to allow steady interest payments and significant principal repayments over the five year term of the senior credit facility;

Various financial investors in Bruker BioSciences in 2007 have expressed a strong preference for a potential acquisition by Bruker BioSciences of the Bruker BioSpin Group, if done for a reasonable valuation and parameters; these financial investors, not affiliated with the shareholders of the Bruker BioSpin Group, urged the Bruker BioSciences management to pursue this transaction, as the investors expect additional opportunities to increase shareholder value from the combination; and

The oral opinion of Bear Stearns to the Bruker BioSciences special committee on December 2, 2007, subsequently confirmed by a written opinion, also dated December 2, 2007, that, as of December 2, 2007, and based upon and subject to the assumptions, qualifications, and limitations set forth therein, the aggregate consideration to be issued in the transactions was fair, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own shares of the Bruker BioSpin Group companies. The full text of Bear Stearns' written opinion, dated December 2, 2007, which sets forth the assumptions made, matters considered and limitations on the review undertaken by Bear Stearns, is attached as **Annex B** and is incorporated into this proxy statement by reference.

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

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

The need to integrate the Bruker BioSpin Group into Bruker BioSciences' financial and information systems;

The risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the combination;

The risk that the combination would not be consummated; and

The risks associated with incurring long-term debt obligations in connection with the financing of the transactions.

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

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

Recommendation of the Board of Directors and Special Committee

By unanimous vote of the Bruker BioSciences special committee, the Bruker BioSciences special committee determined that the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement and the transactions contemplated by each of them, including the issuance of Bruker BioSciences shares as a part of the consideration for the combination, are advisable, fair to and in the best interests of Bruker BioSciences and its stockholders, including unaffiliated stockholders, voted to recommend approval of the U.S. and German purchase agreements and the Swiss merger agreement by the board of directors of Bruker BioSciences. By the unanimous vote of the members of the board of directors present at the board meeting and who voted on the transaction (all non-independent directors, namely Frank H. Laukien, Joerg Laukien, Bernhard Wangler and Richard Stein, recused themselves from voting) at the board meeting at which the transaction agreements were considered and voted upon, the Bruker BioSciences board of directors determined that the U.S. and German purchase agreements and the Swiss merger agreement as proposed and the transactions contemplated by them, including the combination and related issuance of shares, are advisable, fair to and in the best interests of Bruker BioSciences and its stockholders, approved the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement and recommended that holders of Bruker BioSciences common stock vote FOR the transactions contemplated by the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement, including the issuance of Bruker BioSciences common stock as part of the consideration for the combination with the Bruker BioSpin Group.

In considering the recommendation of the Bruker BioSciences board of directors with respect to the combination with the Bruker BioSpin Group and related issuance of shares, you should be aware that certain directors and executive officers of Bruker BioSciences may have interests in the combination that are different from, or are in addition to, the interests of Bruker BioSciences stockholders. Please see the section entitled "Interests of Certain Directors and Executive Officers in the Combination" that begins on page [44] of this proxy statement.

Opinion of the Special Committee's Financial Advisor

Overview

Pursuant to an engagement letter dated September 6, 2007, the Bruker BioSciences special committee retained Bear Stearns to act as its financial advisor with respect to a possible transaction with the Bruker BioSpin Group. In selecting Bear Stearns, the Bruker BioSciences special committee considered the fact that Bear Stearns is an internationally recognized investment banking firm with substantial experience advising companies in the healthcare industry as well as substantial experience providing strategic advisory services. Bear Stearns, as part of its investment banking business, is continuously engaged in the evaluation of businesses and their debt and equity securities in connection with mergers and acquisitions; underwritings, private placements and other securities offerings; senior credit financings; valuations; and general corporate advisory services.

At the December 2, 2007 meeting of the Bruker BioSciences special committee, Bear Stearns delivered its oral opinion, which was subsequently confirmed in writing, that, as of December 2, 2007, and based upon and subject to the assumptions, qualifications and limitations set forth in the written opinion, the aggregate consideration to be issued in the transactions was fair, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own shares in the Bruker BioSpin Group companies.

The full text of Bear Stearns' written opinion is attached as Annex B to this proxy statement and you should read the opinion carefully and in its entirety. The opinion sets forth the assumptions made, some of the matters considered and qualifications to and limitations of the review undertaken by Bear Stearns. The Bear Stearns opinion, which was authorized for issuance by the Fairness Opinion and Valuation Committee of Bear Stearns, is subject to the assumptions and conditions contained in the opinion and is necessarily based on economic, market and other conditions and the information made available to Bear Stearns as of the date of the Bear Stearns opinion. Bear Stearns has no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of the rendering of the opinion.

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

- was provided to the Bruker BioSciences special committee for its benefit and use in connection with its consideration of the acquisition;
- did not constitute a recommendation to the board of directors of Bruker BioSciences or the Bruker BioSciences special committee;
- does not constitute a recommendation to any shareholder of Bruker BioSciences as to how to vote in connection with the acquisition of the Bruker BioSpin Group or otherwise; and
- did not address Bruker BioSciences' underlying business decision to pursue the acquisition of the Bruker BioSpin Group, the relative merits of the acquisition as compared to any alternative business or financial strategies that might exist for Bruker BioSciences, the financing of the acquisition or the effects of any other transaction in which Bruker BioSciences might engage.

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

In connection with rendering its opinion, Bear Stearns:

- reviewed drafts of the transaction agreements in substantially final form;

reviewed the Bruker BioSpin Group's restated Combined Financial Statements for the years ended December 31, 2004, 2005 and 2006, as audited by Ernst & Young LLP, and its Combined Financial Statements for the nine months ended September 30, 2006 and 2007, as reviewed by Ernst & Young LLP;

reviewed Bruker BioSciences' Annual Reports to Shareholders and Annual Reports on Form 10-K for the years ended December 31, 2004, 2005 and 2006, its Quarterly Reports on Form 10-Q for the periods ended March 31, 2007, June 30, 2007 and September 30, 2007 and its Current Reports on Form 8-K filed since December 31, 2006;

reviewed certain operating and financial information relating to the Bruker BioSpin Group's business and prospects, including projections for the five years ended December 31, 2012, all as prepared and provided to us by Bruker BioSpin Group's management (which are referred to as the Bruker BioSpin Group projections);

met with certain members of the Bruker BioSpin Group's senior management to discuss the Bruker BioSpin Group's business, operations, historical financial results and future prospects and the Bruker BioSpin Group projections;

reviewed certain operating and financial information relating to Bruker BioSciences' and the Bruker BioSpin Group's businesses and prospects, including projections for each of Bruker BioSciences and the Bruker BioSpin Group for the five years ended December 31, 2012, all as prepared and provided to us by Bruker BioSciences' management (which are referred to as the Bruker BioSciences projections and the adjusted Bruker BioSpin Group projections, respectively);

reviewed certain estimates of revenue enhancements, cost savings and other combination benefits expected to result from the transaction, all as prepared and provided to us by Bruker BioSciences' management (which are referred to as the potential synergies);

met with certain members of Bruker BioSciences' senior management to discuss Bruker BioSciences' and the Bruker BioSpin Group's businesses, operations, historical financial results and future prospects, the Bruker BioSciences projections, the Bruker BioSpin Group projections, the adjusted Bruker BioSpin Group projections and the potential synergies;

reviewed the historical prices, trading multiples and trading volume of the common stock of Bruker BioSciences;

reviewed certain publicly available financial data, stock market performance data and trading multiples of companies which we deemed generally comparable to Bruker BioSciences and the Bruker BioSpin Group;

reviewed the terms of certain relevant mergers and acquisitions involving companies which we deemed generally comparable to the Bruker BioSpin Group;

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

reviewed the pro forma financial results, financial condition and capitalization of Bruker BioSciences, giving effect to the transaction; and

conducted such other studies, analyses, inquiries and investigations as we deemed appropriate.

In connection with rendering its opinion, Bear Stearns further noted that:

Bear Stearns relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information provided to or discussed with it by Bruker

BioSciences and the Bruker BioSpin Group or obtained by Bear Stearns from public sources, including, without limitation, the Bruker BioSciences projections, the Bruker BioSpin Group projections, the adjusted Bruker BioSpin Group projections and the potential synergies referred to above.

With respect to the Bruker BioSciences projections, the Bruker BioSpin Group projections, the adjusted Bruker BioSpin Group projections and the potential synergies, Bear Stearns relied on representations that they had been reasonably prepared on bases reflecting the best then-currently available estimates and judgments of the senior management of Bruker BioSciences and the Bruker BioSpin Group, as the case may be, as to the expected future performance of Bruker BioSciences and the Bruker BioSpin Group.

Bear Stearns did not assume any responsibility for the independent verification of any information referred to above, including, without limitation, the Bruker BioSciences projections, the Bruker BioSpin Group projections, the adjusted Bruker BioSpin Group projections and the potential synergies, Bear Stearns expressed no view or opinion as to the Bruker BioSciences projections, the Bruker BioSpin Group projections, the adjusted Bruker BioSpin Group projections and the potential synergies and the assumptions upon which they were based and Bear Stearns further relied upon the assurances of the senior management of Bruker BioSciences and the Bruker BioSpin Group, as the case may be, that they were unaware of any facts that would have made the information, the Bruker BioSciences projections, the Bruker BioSpin Group projections, the adjusted Bruker BioSpin Group projections and the potential synergies incomplete or misleading.

In arriving at its opinion, Bear Stearns did not perform or obtain any independent appraisal of the assets or liabilities (contingent or otherwise) of Bruker BioSciences and the Bruker BioSpin Group, nor was Bear Stearns furnished with any such appraisals.

Bear Stearns assumed that the transactions contemplated by the transaction agreements will be consummated in a timely manner and in accordance with the terms of the transaction agreements without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material effect on Bruker BioSciences or the Bruker BioSpin Group, and that the final form of the transaction agreements were substantially similar to the last drafts reviewed by it.

Bear Stearns is not a legal, regulatory, tax or accounting expert and has relied on the assessments made by Bruker BioSciences, the Bruker BioSpin Group and their respective advisors with respect to these issues.

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

Summary of Financial Analyses

The following is a summary of the principal financial and valuation analyses performed by Bear Stearns and presented to the Bruker BioSciences special committee and Bruker BioSciences' board of directors in connection with rendering its fairness opinion.

Some of the financial and valuation analyses summarized below include summary data and information presented in tabular format. In order to understand fully the financial and valuation analyses, the summary data and tables must be read together with the full text of the summary. Considering the summary data and tables alone could create a misleading or incomplete view of Bear Stearns' financial and valuation analyses.

Transaction Overview

Based on the purchase price of approximately $388.0 million in cash and 57,544,872 Bruker BioSciences shares, Bear Stearns calculated the implied equity value and enterprise value of the Bruker BioSpin Group based on Bruker BioSciences closing share price of $9.29 on November 30, 2007.

Bruker BioSpin Group Implied Equity and Enterprise Value ($ in millions, except share and per share data)		
Bruker BioSciences shares issued in transaction		57,544,872
Multiplied by Bruker BioSciences closing share price on November 30, 2007	$	9.29
Implied value of Bruker BioSciences shares issued in transaction	$	534.6
Plus: Cash consideration in transaction		388.0
Implied equity value	**$**	**922.6**
Plus: Debt and capital leases outstanding at September 30, 2007		9.7
Plus: Swiss tax audit exposure (as estimated by Bruker BioSciences management)		1.3
Plus: Pre-closing dividend to Bruker BioSpin Group shareholders		67.3
Minus: Cash, cash equivalents and short-term investments at September 30, 2007		(281.6)
Implied enterprise value	**$**	**719.2**

Bear Stearns' Financial Analyses

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

Bear Stearns compared the projected financial performance and the resulting multiples as of November 30, 2007 of Bruker BioSciences and the resulting multiples of the Bruker BioSpin Group at the implied purchase price in the transaction of $922.6 million, based on BioSciences closing share price of $9.29 on November 30, 2007, to nine publicly traded life science instrumentation companies, which it deemed generally comparable to the Bruker BioSpin Group. Based on the comparability of business dynamics relative to the Bruker BioSpin Group including market focus, customer focus, geographic mix, business mix and projected growth rates, among other things, Bear Stearns divided the nine publicly traded companies into a Tier 1 set consisting of five publicly traded companies and a Tier 2 set consisting of four publicly traded companies as follows:

Tier 1	**Tier 2**
Thermo Fisher Scientific	Agilent Technologies, Inc.
Waters Corporation	Mettler-Toledo International Inc.
Applied Biosystems Group	Techne Corporation
PerkinElmer, Inc.	Dionex Corporation
Varian, Inc.	

Using publicly available information and market data as of November 30, 2007, and in the case of Bruker BioSciences (Management) and the Bruker BioSpin Group, information based on Bruker BioSciences management estimates and using Wall Street research projections for revenue and EBITDA and consensus estimates for EPS and EPS Growth for Bruker BioSciences (Wall Street) and the above comparable companies, Bear Stearns calculated the following harmonic mean multiples for the above public comparable companies and compared the results to Bruker BioSciences at market and the Bruker BioSpin Group at deal price:

	Tier 1		Tier 2	
Comparable Company Harmonic Mean Multiples:	**2007E**	**2008E**	**2007E**	**2008E**
Enterprise Value/Revenue	2.75x	2.54x	3.82x	3.56x
Enterprise Value/EBITDA	14.2	12.6	17.1	15.5
Enterprise Value/EBITDA/Growth Rate	1.10		1.66	
Share Price/EPS	24.4	21.1	27.3	23.6
Share Price/EPS/Growth Rate		1.47		1.64

	Management		Wall Street	
Bruker BioSciences at Market Multiples:	**2007E**	**2008E**	**2007E**	**2008E**
Enterprise Value/Revenue	2.06x	1.87x	1.93x	1.73x
Enterprise Value/EBITDA	17.1	14.2	16.8	14.0
Enterprise Value/EBITDA/Growth Rate	0.82		0.82	
Share Price/EPS	35.9	28.9	36.1	26.7
Share Price/EPS/Growth Rate		1.00		0.89

Bruker BioSpin Group at Deal Multiples:	**2007E**	**2008E**
Enterprise Value/Revenue	1.55x	1.45x
Enterprise Value/EBITDA	8.0	7.5
Enterprise Value/EBITDA/Growth Rate	1.12	
Equity Value/Net Income	15.8	13.8
Equity Value/Net Income/Growth Rate		1.50

"Harmonic mean" is calculated by taking the inverse of the average reciprocals of the multiples and gives equal weight to equal dollar investments in the securities whose ratios are being averaged. Bear Stearns utilizes the harmonic mean in averaging ratios in which price is the numerator. "Enterprise Value" is calculated as the sum of the value of the common equity on a fully diluted basis and the value of net debt, any minority interest and preferred stock. "EBITDA" is a company's earnings before interest, taxes, depreciation and amortization. "EPS" is a company's earnings per share. "Growth Rate" for EBITDA is the 2007 to 2008 growth in EBITDA. "Growth Rate" for EPS and net income is the consensus long term growth rate as provided by First Call for Bruker BioSciences and the comparable companies, and for Bruker BioSciences (Management) and the Bruker BioSpin Group, the compounded annual growth rate from 2008 to 2012 in projected net income based on Bruker BioSciences management estimates. "Bruker BioSciences at Market" is defined as Bruker BioSciences' enterprise value and share price based on the closing share price of the Bruker BioSciences common stock as of November 30, 2007. "Bruker BioSpin Group at Deal" is defined as the Bruker BioSpin Group's implied enterprise value and equity value based on the purchase price in the transaction of approximately $388 million in cash and 57,544,872 Bruker BioSciences shares and Bruker BioSciences closing share price on November 30, 2007 and the value of net debt, the pre-closing dividend to the sellers and an estimated tax exposure.

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

Bear Stearns compared the financial performance and the resulting multiples of the Bruker BioSpin Group's enterprise value and equity value based on the purchase price in the transaction to six precedent transactions involving life science instrumentation companies, which it deemed generally comparable to the Bruker BioSpin Group. Such comparable precedent transactions consisted of:

Date Announced	Target/Acquiror
01/29/07	Molecular Devices Corp. / MDS Inc.
06/20/06	Biacore International / GE Healthcare Ltd.
04/17/06	Bruker Optics Inc. / Bruker BioSciences
06/13/05	SPECTRO Beteiligungs GmbH / AMETEK, Inc.
01/19/05	Kendro Laboratory Products division of SPX Corporation / Thermo Electron Corporation
04/07/03	Bruker AXS / Bruker Daltonics

Using publicly available information, and in the case of the Bruker BioSpin Group, information based on Bruker BioSciences management estimates for the years ending December 31, 2007, 2008 and 2009 and using Wall Street research projections for revenue, EBITDA and net income for the above target companies, Bear Stearns calculated the following harmonic mean multiples for the above comparable precedent transactions:

	Latest Twelve Months	Current Year	Current Year + 1
Precedent transactions Harmonic Mean Multiples:			
Enterprise Value/Revenue	1.41x	1.27x	0.95x
Enterprise Value/EBITDA	11.6	9.0	6.5
Enterprise Value/EBITDA/Growth Rate	0.42		
Equity Value/Net Income		20.9	15.4
Equity Value/Net Income/Growth Rate		1.09	
Bruker BioSpin Group/Bruker BioSciences at Deal Multiples:			
Enterprise Value/Revenue	1.55x	1.45x	1.37x
Enterprise Value/EBITDA	8.0	7.5	7.3
Enterprise Value/EBITDA/Growth Rate	1.12		
Equity Value/Net Income		13.8	13.1
Equity Value/Net Income/Growth Rate		1.50	

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

In performing its discounted cash flow analysis:

Bear Stearns estimated Bruker BioSciences' weighted average cost of capital to be within a range of 11.0-13.0% based on, among other factors, (i) a review of Bruker BioSciences' Bloomberg five-year historical adjusted beta, its Bloomberg two-year historical adjusted beta and its then-current Barra predicted beta (with a bias toward more recent historical and predicted data to more appropriately reflect Bruker BioSciences' risk profile going forward) as well as similar beta information for the comparable companies, (ii) Bear Stearns' estimate of the US equity risk premium, (iii) Bruker BioSciences' assumed target capital structure on a prospective basis and (iv) Bear Stearns' investment banking and capital markets judgment and experience in valuing companies similar to Bruker BioSciences.

Bear Stearns estimated the Bruker BioSpin Group's weighted average cost of capital to be within a range of 10.5-12.5% based on, among other factors, (i) a review of the Bloomberg five-year historical adjusted beta, Bloomberg two-year historical adjusted beta and then-current Barra predicted betas for the comparable companies, (ii) Bear Stearns' estimate of the US equity risk premium, (iii) the Bruker BioSpin Group's assumed target capital structure on a prospective basis and (iv) Bear Stearns' investment banking and capital markets judgment and experience in valuing companies similar to the Bruker BioSpin Group.

In calculating Bruker BioSciences' and the Bruker BioSpin Group's terminal values for purposes of its discounted cash flow analyses, Bear Stearns used a reference range of terminal enterprise value/trailing EBITDA multiples (based on estimated 2012 EBITDA) of 8.0 to 10.0x. The terminal values implied by the aforementioned terminal multiple reference ranges were cross-checked for reasonableness by reference to implied perpetual growth rates in the terminal year free cash flow.

For the potential synergies, Bear Stearns estimated the discount rate to be within a range of 10.5-12.5% and in calculating terminal value for purposes of its discounted cash flow analyses, Bear Stearns used a reference range of perpetual growth rates in terminal free cash flow of 2.0-4.0%.

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

	Range	
($ in millions)	**Low**	**High**
Bruker BioSpin Group		
Excluding Potential Synergies	$ 1,062	$ 1,282
Including Potential Synergies	1,172	1,415

The ranges of implied equity values in the table above compare to the implied purchase price of $922.6 million based on Bruker BioSciences' closing share of $9.29 on November 30, 2007.

Discounted cash flow valuations were also calculated for Bruker BioSciences on a stand-alone basis using the Bruker BioSciences projections and for the pro forma combined company both including and excluding the potential synergies.

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

	Range	
	Low	**High**
Bruker BioSciences		
Stand-alone	$ 8.97	$ 11.38
Combined Company		
Excluding Potential Synergies	$ 9.85	$ 12.74
Including Potential Synergies	10.51	13.54

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

a purchase price of approximately $388.0 million in cash and 57,544,872 Bruker BioSciences shares;

the financial projections provided to Bear Stearns by the management of Bruker BioSciences for both Bruker BioSciences and the Bruker BioSpin Group and the potential synergies; and

an assumption for analytical purposes that there would be no financial statement impact of potential restructuring costs or other one-time costs associated with the transaction and that the transaction was effective as of January 1, 2008.

The following table shows the projected per share accretion / (dilution) to Bruker BioSciences' standalone earnings, including and excluding the potential synergies for the years presented.

Accretion / (Dilution) to Bruker BioSciences' Earnings per Share	2008E	2009E	2010E
Including Potential Synergies	$ 0.25	$ 0.24	$ 0.22
Excluding Potential Synergies	0.22	0.21	0.19

Other Considerations

The preparation of a fairness opinion is a complex process and involves various judgments and determinations as to the most appropriate and relevant assumptions and financial and valuation analyses and the application of those methods to the particular circumstances involved. A fairness opinion is therefore not readily susceptible to partial analysis or summary description, and taking portions of the analyses set out above, without considering the analysis as a whole, would in the view of Bear Stearns create an incomplete and misleading picture of the processes underlying the analyses considered in rendering the Bear Stearns opinion. In arriving at its opinion, Bear Stearns:

Based its analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions, capital markets considerations and industry-specific and company-specific factors.

Did not form a view or opinion as to whether any individual analysis or factor, whether positive or negative, considered in isolation, supported or failed to support the Bear Stearns opinion.

Considered the results of all its analyses and did not attribute any particular weight to any one analysis or factor.

Arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and believed that the totality of the factors considered and analyses performed by Bear Stearns in connection with its opinion operated collectively to support its determination as to the fairness, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of Bruker BioSciences shares who also own shares in the Bruker BioSpin Group companies, of the aggregate consideration to be issued in the transactions.

Bear Stearns also noted that:

The analyses performed by Bear Stearns, particularly those based on estimates and projections, are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by these analyses.

None of the public companies used in the comparable company analysis described above are identical to Bruker BioSciences or Bruker BioSpin, and none of the precedent merger and acquisition transactions used in the precedent transactions analysis described above are identical to the acquisition.

Accordingly, the analyses of publicly traded comparable companies and precedent merger and acquisition transactions is not mathematical; rather, such analyses involve complex considerations and judgments concerning the differences in financial, operating and capital markets-related characteristics and other factors regarding the companies and precedent merger and acquisition transactions to which Bruker BioSpin and the acquisition were compared.

The analyses performed by Bear Stearns do not purport to be appraisals or to reflect the prices at which any securities may trade at the present time or at any time in the future.

The type and amount of consideration payable in the acquisition were determined through negotiations between Bruker BioSciences and Bruker BioSpin and were approved by the Bruker BioSciences special committee and board of directors. The decision to enter into the transaction agreements was solely that of the Bruker BioSciences special committee and board of directors. The Bear Stearns opinion was just one of the many factors taken into consideration by the Bruker BioSciences special committee and board of directors. Consequently, Bear Stearns' analyses should not be viewed as determinative of the decisions of the Bruker BioSciences special committee and board of directors with respect to the fairness, from a financial point of view, to the holders of Bruker BioSciences shares, excluding the holders of BioSciences shares who also own shares in the Bruker BioSpin Group companies, of the aggregate consideration to be issued in the transactions.

Pursuant to the terms of Bear Stearns' engagement letter, Bruker BioSciences has agreed to pay Bear Stearns a customary transaction fee, a substantial portion of which is payable upon consummation of the transaction contemplated by the transaction agreements. A portion of Bear Stearns' compensation was paid upon delivery of its letter and may be credited against the fee payable upon consummation of the acquisition. In addition, Bruker BioSciences has agreed to reimburse Bear Stearns for certain expenses and to indemnify Bear Stearns against certain liabilities arising out of Bear Stearns' engagement.

Bear Stearns has previously been engaged by Bruker BioSciences to provide certain investment banking and other services on matters unrelated to the acquisition, for which Bear Stearns has received customary fees. Bear Stearns may seek to provide Bruker BioSciences and its respective affiliates with certain investment banking and other services unrelated to the acquisition in the future.

Consistent with applicable legal and regulatory requirements, Bear Stearns has adopted certain policies and procedures to establish and maintain the independence of Bear Stearns' research departments and personnel. As a result, Bear Stearns' research analysts may hold views, make statements or investment recommendations and/or publish research reports with respect to Bruker BioSciences, the acquisition and other participants in the acquisition that differ from the views of Bear Stearns' investment banking personnel.

In the ordinary course of business, Bear Stearns and its affiliates may actively trade (for its own account and for the accounts of its customers) certain equity and debt securities, bank debt and/or other financial instruments issued by Bruker BioSciences and its affiliates, as well as derivatives thereof, and, accordingly, may at any time hold long or short positions in these securities, bank debt, financial instruments and derivatives.

Sources of Funds

Bruker BioSciences estimates that the total amount of funds necessary to consummate the combination (including payment of the aggregate cash consideration) will be approximately $398.7 million, which includes $388 million to be paid to shareholders of the Bruker BioSpin Group companies, and the remainder to be applied to pay related fees and expenses in connection with the transactions and the financing arrangements. These payments are expected to be funded from Bruker BioSciences' available cash, together with a debt financing which Bruker BioSciences expects will be substantially on the terms described below. In connection with the execution and delivery of the stock purchase agreements and the merger agreement, Bruker BioSciences has entered into a commitment letter with J.P. Morgan Securities Inc. and Citibank, N.A. Under this commitment letter, the lenders have proposed to provide up to $380 million in debt financing to Bruker BioSciences, consisting of (i) a term loan facility in an aggregate principal amount of $150 million and (ii) a revolving credit facility in an aggregate principal amount of $230 million, a portion of which will be available as a letter of credit subfacility. Advances under the credit facilities will be available to finance the combination, to pay related fees, costs and expenses in connection with these transactions and to fund the general working capital needs of Bruker BioSciences and its subsidiaries following the combination. Bruker BioSciences' material direct and indirect subsidiaries will guarantee all obligations of Bruker BioSciences, subject to tax considerations and financial assurance limitations, as applicable. In addition, the credit facilities will be secured by all of the capital stock of Bruker BioSciences' domestic subsidiaries and by 65% of the capital stock of various of our foreign subsidiaries. The credit facilities contemplated by the commitment letter are subject to customary closing conditions, including, among others:

- the execution of definitive credit documentation satisfactory to the lenders;
- accounting due diligence and the receipt of specified financial statements of Bruker BioSciences;
- satisfactory due diligence review of Bruker BioSciences and the Bruker BioSpin Group; and
- receipt of customary closing documents.

As of the date of this proxy statement, no alternative financing arrangements or alternative financing plans have been made in the event this financing is not available as anticipated. The documentation governing the financing has not been finalized and, accordingly, the actual terms may differ from those described in this proxy statement.

Interests of Certain Directors and Executive Officers in the Combination

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

Following the combination with the Bruker BioSpin Group, Frank H. Laukien, our president, chief executive officer and chairman of the board, and Dirk D. Laukien, currently Bruker BioSciences' senior vice president, will continue in their roles at Bruker BioSciences and as co-chief executive officers of our Bruker BioSpin subsidiaries. If elected by stockholders at the Special Meeting, Dirk Laukien will also become a director of Bruker BioSciences. Joerg Laukien, currently a director of Bruker BioSciences and European chief operating officer of the Bruker BioSpin Group, will continue as European chief operating officer of our Bruker BioSpin subsidiary upon completion of the combination.

In addition to their respective roles as executive officers and directors, Frank Laukien, Dirk Laukien and Joerg Laukien each own stock in both Bruker BioSciences and the companies of the Bruker BioSpin Group. The Bruker BioSpin Group Shareholders control 100% of the shares of the Bruker BioSpin Group, and will receive all of the consideration issued by Bruker BioSciences as a result of the transactions discussed in this proxy statement.

If the acquisition of the Bruker BioSpin Group is approved by stockholders, our directors and officers who are also Bruker BioSpin Group shareholders will receive different amounts of cash and stock as consideration in exchange for their interests in the Bruker BioSpin Group companies. Frank Laukien will receive $69.7 million of cash and 10,034,387 Bruker BioSciences shares which, as of [December 5, 2007], have a market value of approximately $[122.7] million. Joerg Laukien will receive $72.9 million of cash and 10,789,664 Bruker BioSciences shares which, as of [December 5, 2007], have a market value of approximately $[132.0] million. Dirk Laukien will receive $72.9 million of cash and 10,789,664 Bruker BioSciences shares which, as of [December 5, 2007], have a market value of approximately $[132.0] million.

Upon the completion of the purchases of Bruker BioSciences common stock pursuant to the cash-stock exchange agreement among Isolde Laukien-Kleiner, Marc Laukien, Frank Laukien and Robyn Laukien, and giving effect to the resulting reallocation of cash and share proceeds, Frank Laukien will have received net cash consideration of $19.2 million and 15,554,574 Bruker BioSciences shares which, as of [December 5, 2007], have a market value of approximately $[190.2] million. Also after giving effect to this agreement, Joerg Laukien will have received net cash consideration of $68.6 million and 11,258,741 Bruker BioSciences shares which, as of [December 5, 2007], have a market value of approximately $[137.7] million. Under a separate cash-stock exchange agreement, completion of which is subject to certain conditions, Frank Laukien may purchase from Dirk Laukien an additional 1,219,733 shares of Bruker BioSciences common stock for approximately $11.1 million. If this transfer is completed, Frank Laukien will have received net cash consideration of $8.1 million and 16,774,307 Bruker BioSciences shares which, as of [December 5, 2007], have a market value of approximately $[205.1] million. If this transfer is completed, Dirk Laukien will have received net cash consideration of $84.0 million and 9,569,530 Bruker BioSciences shares which, as of [December 5, 2007], have a market value of approximately $[117.0] million. The cash-stock exchange agreements are more fully described below in the section of this proxy statement under the heading "*Cash-Stock Exchange Agreements*" on page [47].

As of [December 5, 2007], the directors and executive officers of Bruker BioSciences beneficially owned [40,447,364] shares, including stock options exercisable within 60 days of [December 5, 2007], representing approximately [39]% of the outstanding shares of Bruker BioSciences common stock.

For additional information relating to affiliations of various Bruker BioSciences officers, directors and stockholders, you should read the section entitled "Certain Relationships and Related Party Transactions of Bruker BioSciences" beginning on page [105].

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

Completion and Effectiveness of the Combination

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

We are working toward completing the combination as quickly as possible. We expect to complete the combination during the first calendar quarter of 2008.

Structure of the Transaction and Operations Post-Combination

The combination is structured so that (a) Bruker BioSciences will purchase all of the outstanding stock of Bruker BioSpin Inc., Bruker Physik and Techneon from the shareholders of BioSpin Inc., Bruker Physik and Techeon, respectively, in a private placement, and (b) Bruker BioSciences, through a reverse triangular merger agreement with Bruker BioSpin Invest, will indirectly acquire the equity of the Bruker BioSpin Invest shareholders. Consideration for the shares of the companies of the Bruker BioSpin Group will consist of a combination of cash and shares of Bruker BioSciences common stock. Bruker BioSciences intends to operate the Bruker BioSpin Group as a wholly owned operation alongside Bruker Daltonics, Bruker AXS and Bruker Optics.

Material United States Federal Income Tax Consequences of the Combination

The acquisitions are not expected to result in any material U.S. federal income tax consequences for Bruker BioSciences stockholders, other than for the owners of Bruker BioSciences shares who are also owners of shares of the Bruker BioSpin Group.

Accounting Treatment of the Acquisition

The combination represents a business combination of companies under common control due to the majority ownership of all companies by the Bruker BioSpin Group Shareholders as an affiliated stockholder group. As a result, the combination will be accounted for at historical carrying value.

Regulatory Matters

We have summarized below the material regulatory requirements affecting the combination. Although we have not yet received all of the required approvals we discuss, we anticipate that we will receive regulatory approvals sufficient to complete the combination during the first calendar quarter of 2008.

Antitrust Considerations. The stock purchase of Bruker BioSpin Inc. is subject to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which prevents certain merger or acquisition transactions from being completed until required information and materials are furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission and specified waiting periods are terminated or expire. Bruker BioSciences and Bruker BioSpin Inc. filed the required information and materials to notify the Department of Justice and the Federal Trade Commission of the combination on December 14, 2007. The applicable HSR waiting period will expire on January 13, 2008.

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

No Appraisal Rights

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

Foreign Regulatory Requirements

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

The transactions are subject to a binding ruling by the three relevant Swiss tax authorities, comprised of the Federal Tax Authorities and the cantonal Tax Authorities of the Cantons of Zurich and Zug, that the amount of withholding taxes required under Swiss law as a result of the transactions will be based on a minimum pre-merger dividend under Swiss law set at $50 million with withholding taxes imposed at a rate of 35% subject to a 20% tax refund. For purposes of obtaining the binding ruling, submitted on November 19, 2007 to the Swiss Federal Tax Authorities for their review were information and materials pertaining to (i) the pre-merger dividend to be distributed; (ii) the acquisition of BBIO Invest AG (Zug) by Bruker BioSciences; and (iii) the upstream merger of BBIO-AG (Zuerich) with and into BBIO Invest AG (Zug). BBIO Invest AG (Zug) is a holding company that contains various of the foreign distribution companies of the Bruker BioSpin Group. BBIO-AG (Zuerich) is a subsidiary of Bruker BioSpin Invest AG, and is the main production and research and development center of the Bruker BioSpin Group, focusing on the development and production of superconducting magnets, radio-frequency electronics, micro-imaging cryogenic and conventional probes, and high throughput automation solutions. BBIO-AG (Zuerich) also provides applications and engineering support for customers in Switzerland and a number of other countries.

A fully executed favorable binding ruling from the relevant Swiss federal and cantonal tax authorities was received on November 28, 2007 adopting a minimum pre-merger dividend set at $50 million.

Restrictions on Sales of Shares Issued In Connection with the Combination

The shares of Bruker BioSciences common stock to be issued in connection with the combination will not be registered under the Securities Act of 1933 and they will not be freely transferable under the Securities Act. Shareholders of the Bruker BioSpin Group receiving shares of Bruker BioSciences common stock in the transactions may sell these shares pursuant to any applicable exemption under the Securities Act except that, pursuant to the terms of the transaction agreements, they are prohibited from selling the shares for a period of one year after the closing date of the transactions, except for various permitted transfers of stock from one Bruker BioSpin Group Shareholder to another.

Cash-Stock Exchange Agreements

In connection with the execution of the three transaction agreements, and in order to allow each of the Bruker BioSpin Group Shareholders to achieve the desired proportions of proceeds in cash and stock from the proposed transactions, the Bruker BioSpin Group Shareholders entered into cash-stock exchange agreements among themselves.

Dirk Laukien and Frank Laukien have entered into a cash-stock exchange agreement under which, if at any time within the one year period immediately following the consummation of the transactions, the daily closing price on the NASDAQ Global Select Market for Bruker BioSciences is at least $9.14 per share, Frank Laukien will purchase from Dirk Laukien 1,219,733 shares of Bruker BioSciences stock for $11,148,362. The agreement may be terminated by Dirk Laukien prior to the anticipated closing date of the share purchase if the $9.14 per share price is achieved. In addition, the agreement shall be null and void in any event if either the purchase under the agreement does not occur within one year after the closing under the transaction agreements or the consummation of the transactions under the transaction agreements does not occur on or before December 31, 2008.

In addition, a separate cash-stock exchange agreement was entered into among Isolde Laukien-Kleiner, Marc Laukien, Frank Laukien, Joerg Laukien and Robyn Laukien. Under this agreement, the following purchases will be made immediately after the consummation of the transactions: (i) Frank Laukien will purchase from Marc Laukien 1,876,943 shares of Bruker BioSciences stock for $17,151,148, and will purchase from Isolde Laukien-Kleiner 3,643,694 shares of Bruker BioSciences stock for $33,303,359, (ii) Robyn Laukien will purchase from Isolde Laukien-Kleiner 296,757 shares of Bruker BioSciences for $2,712,360, and (iii) Joerg Laukien will purchase from Isolde Laukien-Kleiner 469,078 shares of Bruker BioSciences stock for $4,287,372. This agreement shall be null and void if the consummation of the transactions does not occur on or before December 31, 2008.

DESCRIPTION OF THE TRANSACTION AGREEMENTS

The following summary of the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement is qualified in its entirety by reference to the complete text of the transaction agreements, which are incorporated by reference and attached as Annexes A-1 to A-3 to this proxy statement. We urge you to read the full text of each of the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement.

The Stock Purchase Agreement with Bruker BioSpin Inc.

General

On December 2, 2007, Bruker BioSciences, Bruker BioSpin Inc. and the stockholders of Bruker BioSpin Inc. entered into a stock purchase agreement, which we sometimes refer to in this proxy statement as the U.S. stock purchase agreement. Under the U.S. stock purchase agreement, Bruker BioSciences will purchase all of the outstanding shares of Bruker BioSpin Inc. for an aggregate purchase price of $99,962,514, payable in cash.

Closing Date

Unless the parties agree otherwise, the closing of the stock purchase will take place on the later of January 23, 2008 or the first business day following the satisfaction or waiver of all of the closing conditions.

Purchase Price-Payment

The U.S. stock purchase agreement provides that Bruker BioSciences shall purchase all of the outstanding shares of Bruker BioSpin Inc. for an aggregate purchase price of $99,962,514, which, after the funding of the escrows described below, will be payable in cash at closing to the Bruker BioSpin Inc. stockholders pro rata in accordance with their respective ownership of the Bruker BioSpin Inc. common stock.

Escrow

Working Capital Escrow. At the closing, $6.75 million of the cash purchase price will be placed into escrow as security for any potential adjustments to the purchase price that will be made if the net working capital of the Bruker BioSpin Group as of December 31, 2007 is less than $180 million. If the net working capital of the Bruker BioSpin Group is less than $180 million, then the difference shall be paid from the working capital escrow. The unused portion of the working capital escrow will be released to the sellers within 25 business days following receipt by Bruker BioSciences of the combined audited financial statements of the Bruker BioSpin Group for the fiscal year ending December 31, 2007.

Indemnity Escrow. At the closing, $92 million of the cash purchase price will be placed into escrow as security for fulfillment by the sellers of their indemnification obligations set forth in the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement. The unused portion of the indemnity escrow will be released to the sellers within 30 business days of the later of (1) the 30th day following the receipt by Bruker BioSciences of the combined audited financial statements of the Bruker BioSpin Group for the fiscal year ending December 31, 2008 or (2) the resolution of any claim for indemnification of which the sellers have received notice prior to the conclusion of the 30-day period described in clause (1) of this sentence.

Representations and Warranties

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

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

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

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

- corporate organization, including due incorporation, good standing, corporate power and qualification to conduct business;
- authorization, execution, delivery and performance and the enforceability of the stock purchase agreement and related matters;
- capital structure;
- absence of conflicts with, or violations of, organizational documents or other obligations as a result of the consummation of the transactions contemplated by the stock purchase agreement;
- identification of required governmental filings and consents;
- absence of violations of any law, or necessity of any approval, as a result of the execution and delivery of, or consummation of the transactions contemplated by, the stock purchase agreement;
- compliance with applicable laws and permits;
- books and records;
- delivery and accuracy of financial statements;
- absence of undisclosed material liabilities;
- litigation matters;

absence of a Material Adverse Effect and certain other material changes or events since December 31, 2006;

disclosure of certain contracts;

employee matters, employee benefit plans, employment agreements, matters relating to the Employee Retirement Income Security Act of 1974, as amended, and labor relations;

- absence of default under material contracts;
- transactions with affiliates;
- accounts receivable;
- owned and leased property;
- environmental matters;
- tax matters;
- intellectual property matters;
- information technology matters;
- bank accounts;
- inventory;
- brokers' and finders' fees;
- customer deposits;
- insurance policies; and
- no representation, warranty, statement or covenant contains an untrue statement of material fact or omits to state a material fact required to be stated in the stock purchase agreement or necessary to make the statements contained in the merger agreement not misleading.

In addition, each Bruker BioSpin Inc. stockholder made representations and warranties to Bruker BioSciences regarding:

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

- brokers' and finders' fees; and
- beneficial ownership of Bruker BioSpin Inc. common stock.

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

- corporate matters, including due organization, good standing, corporate power and qualification;
- authorization, execution, delivery and performance and the enforceability of the stock purchase agreement and related matters;
- absence of conflicts with, or violations of, organizational documents or other obligations as a result of the consummation of the transactions contemplated by the stock purchase agreement;
- brokers' and finders' fees; and
- investment and accredited investor representations.

Covenants

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

amend any of its organizational documents;

liquidate, dissolve, recapitalize or otherwise wind up its business;

make any distribution or declare, pay or set aside any dividend (in cash or property);

split, combine, redeem, reclassify, purchase or otherwise acquire any equity interests or shares of capital stock of, or other equity or voting interest in, Bruker BioSpin Inc. or any subsidiary, or make any other changes in the capital structure of Bruker BioSpin Inc. or any of its subsidiaries;

grant any person any right or option to acquire any shares of its capital stock or engage in any discussions or negotiations regarding these matters;

enter into any agreement, understanding or arrangement with respect to the sale, voting, registration or repurchase of its capital stock;

other than in the ordinary course of business, acquire or dispose of any interest in any corporation, partnership or other person or assets comprising a business or any other property or assets;

other than in the ordinary course of business, sell, assign, pledge, dispose of, transfer, lease, license, guarantee or encumber, or authorize the sale, pledge, disposition, transfer, lease, license, guarantee or encumbrance of, any amount of property or assets;

sell, assign, lease, license, transfer or otherwise dispose of, mortgage, pledge or encumber, any real property, or amend, terminate, modify or renew any real property lease;

incur any indebtedness or issue any debt securities or assume, guarantee or endorse the obligations of any other person in excess of $600,000 in the aggregate;

cancel any third-party indebtedness owed to Bruker BioSpin Inc.;

increase the rate or terms of compensation or benefits of any of its directors, managers, officers, employees, consultants, agents, independent contractors or other individual service providers;

hire any new employees except in the ordinary course of business whose total compensation exceeds $150,000;

pay or agree to pay any employee benefit not required or permitted by any existing employee benefit plan;

enter into or amend any employment, bonus, severance or retirement contract, except for agreements for newly hired employees in the ordinary course of business with annual compensation not to exceed $150,000;

except as required to ensure that any benefit plan is not then out of compliance with applicable law, enter into or adopt any new, or increase benefits under or renew or amend any existing, benefit plan or benefit arrangement or any collective bargaining agreement;

make any distributions, loans, advances or capital contributions (other than advances for travel and other normal business expenses to officers and employees) except in the ordinary course of business;

commit to make any capital expenditure or fail to make capital expenditures consistent with past practice;

fail to maintain all its assets in good repair and condition, except to the extent of wear or use in the ordinary course of business or damage by fire or other unavoidable casualty;

make, revoke or change any tax election or change any tax accounting method, settle or compromise any tax liability, or waive or consent to the extension of any statute of limitations for the assessment and collection of any tax;

except as may be required as a result of a change in applicable law or GAAP, change any accounting principles or practices;

institute, settle or dismiss any action or claim threatened against, relating to or involving Bruker BioSpin or any of its subsidiaries in connection with any business, asset or property of Bruker BioSpin Inc. or any of its subsidiaries;

other than various intercompany contracts and leases, enter into any large long-term contracts involving the payment or provision of goods or services in excess of $500,000, except for the acceptance of customer purchase orders in the ordinary course of business with terms up to 24 months and individual amounts up to $5,000,000;

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

enter into or renew, amend or otherwise modify or extend any contracts related to derivative instruments or hedging.

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

Voting Agreement. Bruker BioSpin Inc. stockholders have agreed to vote in their capacity as holders of shares of common stock of Bruker BioSciences in favor of the transactions contemplated by the stock purchase agreement.

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

Noncompetition and Nonsolicitation. For a period of five years from the closing date, Bruker BioSpin Inc. stockholders and their affiliates may not directly or indirectly: (1) engage in, hold an interest in, own, manage, operate, control, direct, be connected with as a stockholder (other than as a holder of less than 1% of a publicly traded security), joint venturer, partner, consultant or employee, or otherwise engage or participate in, provide services to or be connected in any manner with or assist in any way any entity, person or business that engages in a business involving the design, manufacture and distribution of (a) life science, process control and analytical research tools based on nuclear magnetic resonance, electron paramagnetic resonance, research magnetic resonance imaging, superconducting magnets and wires for nuclear magnetic resonance, electron paramagnetic resonance or research magnetic resonance imaging, (b) cryogenic RF coil technologies for nuclear magnetic resonance, electron paramagnetic resonance or research magnetic resonance imaging, or (c) other specialty power supply technologies; or (2) solicit for employment or hire any employee of Bruker BioSpin Inc. or any of its subsidiaries without the prior written consent of Bruker BioSciences, unless the employee has replied or responded to either a general solicitation or advertisement for employment by a Bruker BioSpin stockholder or their affiliates or to a solicitation made twelve months after the employee's employment had been terminated by Bruker BioSpin Inc.

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

Conditions to the Acquisition

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

- the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired or been terminated and all necessary consents of any governmental authority required shall have been obtained;

- the waiting period instituted by the European Commission and/or the European Union member states' agencies shall have expired or been terminated and all requisite approvals, waiting or suspensory periods (and any extensions thereof), waivers, permits, consents, reviews, sanctions, orders, rulings, decisions, declarations, certificates and exemptions required for the consummation of the acquisition under any corresponding requirements of the EU member states or competition regulatory authorities in other jurisdictions shall have been obtained; and

- there shall be no law in effect that restrains, enjoins or otherwise prevents the consummation of the transactions contemplated by the stock purchase agreement or any ancillary agreements.

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

- the representations and warranties of the Bruker BioSpin Inc. stockholders (1) that are qualified as to materiality must be true and correct in all respects, and (2) that are not qualified as to materiality must be true and correct in all material respects, in each case, between the time of the execution of the stock purchase agreement and as of the closing (other than representations and warranties that speak as of another specific date or time prior to the date of the execution of the stock purchase agreement, which need only be true and correct as of such date or time);

- all of the terms, covenants and conditions to be complied with and performed by the sellers on or prior to the closing shall have been complied with or performed in all material respects;

- Bruker BioSciences shall have received certificates of the sellers certifying that all closing conditions have been satisfied;
- the absence of any action, suit or proceeding pending or threatened by or before any governmental authority or by any other person to enjoin, restrain, prohibit or obtain damages in respect of any of the transactions contemplated by the stock purchase agreement or any ancillary agreement, or which would be reasonably likely to prevent or make illegal the consummation of the transactions contemplated by the stock purchase agreement;
- Bruker BioSpin Inc. must have provided Bruker BioSciences with a certification relating to certain tax matters;
- there shall not have occurred since December 2, 2007 any events that have had, or are, individually or in the aggregate, reasonably likely to have a material adverse effect on Bruker BioSpin Inc.;
- Bruker BioSciences shall have received evidence, to its reasonable satisfaction, of the receipt of all requisite third-party and governmental consents;
- Bruker BioSciences shall have obtained financing by reputable lenders at reasonable market interest rates and terms and conditions as determined by the special committee in sufficient amounts to complete the transactions, all funds to be received by Bruker BioSciences pursuant to such financing arrangements shall be available pursuant to their terms, and all funds contemplated to be received at closing to fund the transactions shall have been received;
- certain real property leases and other contracts of Bruker BioSpin Inc. or of a subsidiary shall have been amended in a manner reasonably acceptable to the special committee;
- the approval of the transaction contemplated by the U.S. stock purchase agreement by the holders of at least a majority of the outstanding shares of common stock of Bruker BioSciences who are unaffiliated with the Bruker BioSpin Group Shareholders, who represent at least a majority of the total votes cast by these unaffiliated holders at the Special Meeting;
- the approval of the transactions contemplated by the U.S. stock purchase agreement by the holders of shares of capital stock of Bruker BioSciences representing at least a majority of the total votes cast at a duly held meeting of stockholders; and
- all conditions precedent in the merger agreement regarding Bruker Biospin Invest and the German share purchase agreement regarding the acquisition of Bruker Physik and Techneon shall have been satisfied or waived.

The obligation of the selling stockholders to effect the transactions contemplated by the U.S. stock purchase agreement are subject to the satisfaction or waiver of the following conditions:

- the representations and warranties of Bruker BioSciences that (1) are qualified as to materiality must be true and correct in all respects and (2) are not qualified as to materiality must be true and correct in all material respects, in each case between the time of the execution of the stock purchase agreement and as of the closing (other than representations and warranties that speak as of another specific date or time prior to the date of the execution of the stock purchase agreement, which need only be true and correct as of such date or time);
- all of the terms, covenants and conditions to be complied with and performed by Bruker BioSciences on or prior to the date of the closing must have been complied with or performed in all material respects;
- sellers shall have received a certificate from Bruker BioSciences certifying that certain closing conditions have been satisfied;

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the payment of the purchase price; and

the deposit of the indemnity escrow and the working capital escrow.

Indemnification

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

any inaccuracy in, or breach of, any representation or warranty made by Bruker BioSpin Inc. or the selling stockholders under the stock purchase agreement or any ancillary agreement (except with respect to certain representations regarding ownership of Bruker BioSpin Inc. shares, payment of withholding taxes, investment intent and transferability of the shares of Bruker BioSpin Inc. stock to be issued as consideration, each of which are made by each selling stockholder in its individual capacity), without giving effect to any limitations or qualifications as to "materiality" set forth within the stock purchase agreement;

any breach or nonfulfillment of any covenant or agreement on the part of Bruker BioSpin Inc. or the selling stockholders in respect of pre-closing covenants under the stock purchase agreement or any ancillary agreement;

any fees, expenses or other payments incurred or owed by Bruker BioSpin Inc. or the selling stockholders to any agent, broker, investment banker or other firm or person retained or employed by Bruker BioSpin Inc. or the selling stockholders in connection with the transactions contemplated by the stock purchase agreement; or

any liability for taxes arising out of or related to an inaccuracy in, or breach of, any tax representation or warranty in each of the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement, other than losses arising from criminal activity or fraud, in excess of $10 million; provided, however, that the $3.25 million described in the limitations on indemnification below shall not apply to this tax liability.

Limitations on Indemnification

In general, the selling stockholders are not obligated to indemnify Bruker BioSciences with respect to losses suffered by Bruker BioSciences resulting from a breach of any representations and warranties under the transaction agreements until the aggregate amount of the losses exceeds $3,250,000, at which time the sellers will be obligated to indemnify Bruker BioSciences for the total amount of such losses. The sellers' representations and warranties shall survive the closing until the later of (1) the 30th day following the receipt by Bruker BioSciences of the audited financial statements of the Bruker BioSpin Group for the fiscal year ended December 31, 2008 or (2) the resolution of any claim for indemnification of which the sellers have received notice prior to the conclusion of the 30-day period described in clause (1) of this sentence, except with respect to:

The following representations and warranties, which survive indefinitely:

ownership of the shares of common stock of Bruker BioSpin Inc.;

the capitalization of Bruker BioSpin Inc. and its subsidiaries; and

other interests.

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

- no misleading statements;
- environmental;
- employee benefits; and
- proprietary rights.

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

- withholding tax; and
- taxes and tax returns.

The selling stockholders' aggregate indemnification obligations under the transaction agreements may not exceed $92 million, other than with respect to indemnification for losses arising out of (i) criminal activity or fraud or (ii) breaches of the following representations and warranties:

- ownership of shares;
- withholding tax;
- capitalization of Bruker BioSpin Inc. and its subsidiaries;
- taxes;
- other interests; and
- environmental.

Termination of the U.S. Stock Purchase Agreement

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

- any governmental entity shall have issued an order permanently restraining, enjoining, or otherwise prohibiting the completion of the acquisition and such order is final and nonappealable;

- we do not receive stockholder approval for the transaction;

- either the Swiss merger agreement with Bruker BioSpin Invest AG or the German share purchase agreement with Bruker Physik is terminated; or

- the closing has not occurred by June 30, 2008, unless a breach of the stock purchase agreement by the party seeking termination is the cause of or results in the failure of the acquisition to be completed.

Bruker BioSciences may terminate the U.S. stock purchase agreement at any time prior to closing if the selling stockholders or Bruker BioSpin Inc. breach any of their respective covenants, representations and warranties, or other agreements contained in the U.S. stock purchase agreement and such breach would give rise to the failure of a condition to Bruker BioSciences' obligation to complete the acquisition and such breach is not curable or, if curable, is not cured or waived within 20 calendar days after written notice of such breach has been delivered to the breaching party.

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

Expenses

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

Amendment and Waiver

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

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

The German Share Purchase Agreement with Bruker Physik GmbH and Techneon AG

General

On December 2, 2007, Bruker BioSciences and its indirect subsidiaries Bruker Daltonik GmbH and Bruker Optik GmbH entered into an agreement to acquire all of the outstanding shares of Bruker Physik GmbH, a German limited liability company, and Techneon AG, a Swiss stock corporation, with Bruker Physik, Techneon, SciTec GmbH & Co. KG, a German limited partnership, and the Bruker Physik shareholders. Techneon owns approximately 13% of the outstanding share capital of Bruker Physik, while the other 87% is held by the Bruker BioSpin Group Shareholders. We sometimes refer to this agreement as the German share purchase agreement in this proxy statement.

In connection with the German share purchase agreement, SciTec and Isolde Laukien-Kleiner have agreed to sell Bruker Optik GmbH, an affiliate of our company, certain real property held by them for an aggregate purchase price of €1,416,250 in cash.

Closing Date

Unless the parties agree otherwise, the closing of the share purchase will take place on the later of January 23, 2008 or the first business day following the satisfaction or waiver of all of the closing conditions.

Purchase Price-Payment

The German share purchase agreement provides that Bruker BioSciences (which will assign its purchase rights to Bruker BioSpin Corporation), Bruker Daltonik and Bruker Optik shall purchase all of the outstanding shares of Bruker Physik and Techneon for an aggregate purchase price of $286.0 million, which will be payable in cash at closing to the Bruker Physik and Techneon shareholders pro rata in accordance with their respective ownership. In addition, a parcel of real property owned equally by Scitek and Isolde Laukien-Kleiner will be sold to Bruker Optik for €1,416,250.

Escrow

Indemnity Escrow. A $92 million escrow fund established pursuant to the U.S. stock purchase agreement, and discussed above, will serve as security for fulfillment by the sellers of their indemnification obligations set forth in the German share purchase agreement. See the discussion set forth above in "The Stock Purchase Agreement with Bruker Biospin Inc. Escrow Indemnity Escrow" for additional information regarding the indemnity escrow fund.

Working Capital. A $6.75 million escrow fund established pursuant to the U.S. stock purchase agreement, as discussed above, will serve as security for fulfillment by the sellers of their obligations to deliver a specified amount of working capital in the Bruker BioSpin Group at closing. See the discussion set forth above in "The Stock Purchase Agreement with Bruker Biospin Inc. Escrow Working Capital" for additional information regarding the working capital escrow fund.

Representations and Warranties

The German share purchase agreement contains customary representations and warranties made by Bruker Physik, Techneon and Bruker Physik shareholders to Bruker BioSciences, subject, in some cases, to specified exceptions and qualifications contained in the German share purchase agreement or in the disclosure schedule delivered in connection therewith.

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

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

The representations and warranties regarding Bruker Physik and Techneon and their respective subsidiaries made to Bruker BioSciences, Bruker Optik and Bruker Daltonik by Bruker Physik and Techneon and their respective shareholders relate to, among other things:

- corporate organization, including due incorporation, good standing, corporate power and qualification to conduct business;
- authorization, execution, delivery and performance and the enforceability of the share purchase agreement and related matters;
- capital structure;
- absence of conflicts with, or violations of, organizational documents or other obligations as a result of the consummation of the transactions contemplated by the stock purchase agreement;
- identification of required governmental filings and consents;
- absence of violations of any law, or necessity of any approval, as a result of the execution and delivery of, or consummation of the transactions contemplated by, the stock purchase agreement;
- compliance with applicable laws and permits;
- books and records;
- delivery and accuracy of financial statements;
- absence of undisclosed material liabilities;
- litigation matters;
- absence of a Material Adverse Effect and certain other material changes or events since December 31, 2006;
- disclosure of certain contracts;
- employee matters, employee benefit plans, employment agreements, pensions and labor relations;
- absence of default under material contracts;
- transactions with affiliates;
- accounts receivable;

- owned and leased property;
- environmental matters;
- brokers' and finders' fees;
- tax matters;
- intellectual property matters;
- information technology matters;
- bank accounts;
- inventory;
- customer deposits;
- insurance policies; and

no representation, warranty, statement or covenant contains an untrue statement of material fact or omits to state a material fact required to be stated in the share purchase agreement or necessary to make the statements contained in the merger agreement not misleading.

In addition, Bruker Physik and Techneon shareholders made representations and warranties to Bruker BioSciences, Bruker Optik and Bruker Daltonik regarding:

- authorization, execution, delivery and performance and the enforceability of the German share purchase agreement and related matters;
- absence of conflicts with or violations of the German share purchase agreement or any ancillary agreements;
- litigation matters;
- identification of required filings and consents;
- withholding tax;
- brokers' and finders' fees;
- beneficial ownership of Bruker Physik and Techneon shares;
- the composition of the assets of SciTec; and
- certain representations pertaining to real property held by SciTec and Isolde Laukien-Kleiner.

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

- corporate matters, including due organization, good standing, corporate power and qualification;
- authorization, execution, delivery and performance and the enforceability of the share purchase agreement and related matters;
- absence of conflicts with, or violations of, organizational documents or other obligations as a result of the consummation of the transactions contemplated by the share purchase agreement;
- brokers' and finders' fees; and
- accredited investor status and investment intent of purchase.

Covenants

Conduct of Bruker Physik's and Techneon's Business. During the period between the execution of the stock purchase agreement and the closing, the businesses of Bruker Physik, Techneon and their respective subsidiaries must be conducted in the ordinary course of business consistent with past practice. Bruker Physik and Techneon are obligated to, and the selling shareholders are obligated to cause Bruker Physik and Techneon to, use commercially reasonable efforts to preserve their material properties, assets and business organizations (including those of its subsidiaries). Specifically, each of Bruker Physik and Techneon have agreed that, among other things and subject to certain exceptions, neither Bruker Physik, Techneon and their respective subsidiaries may, and the selling shareholders have agreed to cause Bruker Physik, Techneon and their respective subsidiaries not to, without Bruker BioSciences' written consent:

amend any of its corporate documents;

liquidate, dissolve, recapitalize or otherwise wind up its business;

make any distribution or declare, pay or set aside any dividend (in cash or property);

split, combine, redeem, reclassify, purchase or otherwise acquire any equity interests or shares of capital stock of, or other equity or voting interest in, Bruker Physik, Techneon or any subsidiary, or make any other changes in the capital structure of Bruker Physik, Techneon or any of its subsidiaries;

grant any person any right or option to acquire any shares of its capital shares or engage in any discussions or negotiations regarding these topics;

enter into any agreement, understanding or arrangement with respect to the sale, voting, registration or repurchase of its capital stock;

other than in the ordinary course of business, acquire or dispose of any interest in any corporation, partnership or other person or assets comprising a business or any other property or assets;

other than in the ordinary course of business, sell, assign, pledge, dispose of, transfer, lease, license, guarantee or encumber, or authorize the sale, pledge, disposition, transfer, lease, license, guarantee or encumbrance of, any amount of property or assets;

other than with respect to the sale of certain property held by selling shareholders, sell, assign, lease, license, transfer or otherwise dispose of, mortgage, pledge or encumber, any real property, or amend, terminate, modify or renew any real property lease;

incur any indebtedness or issue any debt securities or assume, guarantee or endorse the obligations of any other person in excess of €325,000 in the aggregate;

cancel any third-party indebtedness owed to Bruker Physik or Techneon;

increase the rate or terms of compensation or benefits of any of its directors, managers, officers, employees, consultants, agents, independent contractors or other individual service providers;

hire any new employees except in the ordinary course of business whose total compensation exceeds €100,000;

pay or agree to pay any employee benefit or pension commitment not required or permitted by any existing employee benefit plan;

enter into or amend any employment, bonus, severance or retirement contract, except for agreements for newly hired employees in the ordinary course of business with annual compensation not to exceed €100,000;

except as required to ensure that any benefit plan is not then out of compliance with applicable law, enter into or adopt any new, or increase benefits under or renew or amend any existing, benefit plan or benefit arrangement or any collective bargaining agreement;

make any distributions, loans, advances or capital contributions (other than advances for travel and other normal business expenses to officers and employees) except in the ordinary course of business;

except as specifically set forth in the agreement, commit to make any capital expenditure or fail to make capital expenditures consistent with past practice;

fail to maintain all its assets in good repair and condition, except to the extent of wear or use in the ordinary course of business or damage by fire or other unavoidable casualty;

except as may be required as a result of a change in applicable tax or GAAP, make, revoke or change any tax election or change any tax accounting method, settle or compromise any tax liability, or waive or consent to the extension of any statute of limitations for the assessment and collection of any tax;

except as may be required as a result of a change in applicable law or GAAP, change any accounting principles or practices;

institute, settle or dismiss any action or claim threatened against, relating to or involving Bruker Physik or Techneon or any of their respective subsidiaries in connection with any business, asset or property of Bruker Physik or Techneon or any of their respective subsidiaries;

other than various intercompany contracts and leases, enter into any long-term contracts involving the payment or provision of goods or services in excess of €325,000, except for the acceptance of customer purchase orders in the ordinary course of business with terms up to 24 months and individual amounts up to €3,250,000;

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

enter into, or renew, amend or modify any contracts relating to derivative or hedging transactions; or

agree in writing to take any of the above actions.

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

Voting Agreement. Bruker Physik and Techneon shareholders have agreed to vote in favor of the transactions contemplated by the German share purchase agreement.

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

Noncompetition and Nonsolicitation. For a period of five years from the closing date, Bruker BioSpin Inc. stockholders and their affiliates may not directly or indirectly: (1) engage in, hold an interest in, own, manage, operate, control, direct, be connected with as a stockholder (other than as a holder of less than 1% of a publicly traded security), joint venturer, partner, consultant or employee, or otherwise engage or participate in, provide services to or be connected in any manner with or assist in any way any entity, person or business that engages in a business involving the design, manufacture and distribution of (a) life science, process control and analytical research tools based on nuclear magnetic resonance, electron paramagnetic resonance, research magnetic resonance imaging, superconducting magnets and wires for nuclear magnetic resonance, electron paramagnetic resonance or research magnetic resonance imaging, (b) cryogenic RF coil technologies for nuclear magnetic resonance, electron paramagnetic resonance or research magnetic resonance imaging, or (c) other specialty power supply technologies; or (2) solicit for employment or hire any employee of Bruker Physik or Techneon or any of their respective subsidiaries without the prior written consent of Bruker BioSciences, unless the employee has replied or responded to either a general solicitation or advertisement for employment by a Bruker BioSpin Group Shareholders or their affiliates or to a solicitation made twelve months after the employee's employment had been terminated by Bruker Physik or Techneon.

No Election. Bruker BioSciences Corporation and the other purchasers signing the German share purchase agreement will not make an election under Section 338 of the Code with respect to Bruker Physik or Techneon, or any stock held, directly or indirectly, by either of them.

Compulsory Share Transfer. As soon as possible after January 1, 2008, the selling shareholders and Techneon shall cause certain shares of Bruker Physik and Techneon held of record by various directors to be transferred to SciTec, free and clear of any liens, and shall cause the share register of Techneon to be duly revised to reflect the record and beneficial ownership of these shares.

Conditions to the Acquisition

The respective obligations of each party to effect the transactions contemplated by the share purchase agreement are subject to the satisfaction, on or prior to the closing, of the following conditions:

- The waiting periods (1) under the HSR Act applicable to the consummation of the Bruker BioSpin Inc. transaction shall have expired or been terminated and all necessary consents of any governmental authority required for consummation of these transactions shall have been obtained and (2) applicable to the consummation of these transactions and instituted by the European Commission and/or the European Union member states' agencies shall have expired or been terminated and all requisite approvals, waiting or suspensory periods (and any extensions thereof), waivers, permits, consents, reviews, sanctions, orders, rulings, decisions, declarations, certificates and exemptions required for the consummation of these transactions under any corresponding requirements of the European Union member states or competition regulatory authorities in other jurisdictions shall have been obtained;

- there shall not be in effect any law of any governmental authority of competent jurisdiction restraining, enjoining or otherwise preventing the consummation of the transactions contemplated by the German share purchase agreement or any ancillary agreement;

- the closing contemplated by the U.S. stock purchase agreement between the company and Bruker BioSpin Inc. shall have occurred; and

- the closing contemplated by the merger agreement with Bruker BioSpin Invest shall have occurred.

The obligation of the purchasers to effect the transactions contemplated by the German share purchase agreement are subject to the satisfaction or waiver of the following conditions:

- the representations and warranties of the Bruker Physik and Techneon shareholders (1) that are qualified as to materiality must be true and correct in all respects and (2) that are not qualified as to materiality must be true and correct in all material respects, in each case, between the time of the execution of the stock purchase agreement and as of the closing (other than representations and warranties that speak as of another specific date or time prior to the date of the execution of the stock purchase agreement, which need only be true and correct as of such date or time);

- all of the terms, covenants and conditions to be complied with and performed by the sellers on or prior to the closing shall have been complied with or performed in all material respects;

- the purchasers shall have received certificates from the sellers certifying that all closing conditions have been satisfied;

- the absence of any action, suit or proceeding pending or threatened by or before any governmental authority or by any other person to enjoin, restrain, prohibit or obtain damages in respect of any of the transactions contemplated by the share purchase agreement or any ancillary agreement, or which would be reasonably likely to prevent or make illegal the consummation of the transactions contemplated by the share purchase agreement;

- there shall not have occurred since December 2, 2007 any events that have had, or are, individually or in the aggregate, reasonably likely to have a material adverse effect on Bruker Physik;

Bruker BioSciences shall have received evidence, to its reasonable satisfaction, of the receipt of all requisite third-party and governmental consents;

- Bruker BioSciences shall have obtained financing by reputable lenders at reasonable market interest rates and terms and conditions as determined by the special committee in sufficient amounts to complete the transactions, all funds to be received by Bruker BioSciences pursuant to such financing arrangements shall be available pursuant to their terms, and all funds contemplated to be received at closing to fund the transactions shall have been received or will be made available during the closing;

- the approval of the transactions contemplated by the German share purchase agreement by the holders of at least a majority of the outstanding shares of common stock of Bruker BioSciences who are unaffiliated with the Bruker BioSpin Group Shareholders, who represent at least a majority of the total votes cast by these unaffiliated holders at the Special Meeting;

- the approval of the transactions contemplated by the German share purchase agreement by the holders of shares of capital stock of Bruker BioSciences representing at least a majority of the total votes cast at a duly held meeting of stockholders;

- some selling shareholders have entered into an agreement to transfer real property held by those shareholders and all payments under that agreement have been fulfilled or validly waived;

- the special committee shall have obtained adequate proof that no consent of any spouse of any of the Bruker BioSpin Group Shareholders is required for the entering into and consummation of German share purchase agreement, or such consent shall have been granted;

- the special committee shall have obtained adequate proof that there are no claims of any of the selling shareholders against Bruker Physik, Techneon or their respective subsidiaries (except for claims under the current service agreements of those selling shareholders that are employed by Bruker Physik, Techneon or their respective subsidiaries and except for certain pension entitlements);

- Bruker Physik and Techneon shall have furnished to Bruker BioSciences and Bruker Physik, respectively, a certification in accordance with Treasury Regulation Section 1.1445-2(c) and in the form provided in Treasury Regulation Section 1.897-2(h)(2); and

- all shares as part of the compulsory share transfer shall have been transferred, free and clear of any liens, and the share register of Techneon shall reflect the record and beneficial ownership of such shares.

The obligation of the selling shareholders to effect the transactions contemplated by the German share purchase agreement are subject to the satisfaction or waiver of the following conditions:

- the representations and warranties of Bruker BioSciences that (1) are qualified as to materiality must be true and correct in all respects and (2) are not qualified as to materiality must be true and correct in all material respects, in each case between the time of the execution of the stock purchase agreement and as of the closing (other than representations and warranties that speak as of another specific date or time prior to the date of the execution of the stock purchase agreement, which need only be true and correct as of such date or time);

- the sellers shall have received a certificate from the purchasers certifying that certain of the purchasers' closing conditions have been satisfied;

- all of the terms, covenants and conditions to be complied with and performed by Bruker BioSciences on or prior to the date of the closing must have been complied with or performed in all material respects; and

- the payment of the purchase price.

Indemnification

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

any inaccuracy in, or breach of, any representation or warranty made by Bruker Physik or Techneon or the selling shareholders under the share purchase agreement or any ancillary agreement, without giving effect to any limitations or qualifications as to "materiality" set forth within the German share purchase agreement;

any breach or nonfulfillment of any covenant or agreement on the part of Bruker Physik, Techneon or the selling shareholders in respect of pre-closing covenants under the share purchase agreement or any ancillary agreement;

any fees, expenses or other payments incurred or owed by Bruker Physik, Techneon or the selling shareholders to any agent, broker, investment banker or other firm or person retained or employed by Bruker Physik, Techneon or the selling shareholders in connection with the transactions contemplated by the German share purchase agreement; or

any liability for taxes arising out of or related to an inaccuracy in, or breach of, any tax representation or warranty in each of the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement, other than losses arising from criminal activity or fraud, in excess of $10 million; provided, however, that the $3.25 million described in the limitations on indemnification below shall not apply to this tax liability.

Limitations on Indemnification

In general, the selling shareholders are not obligated to indemnify the purchasers with respect to losses resulting from a breach of any representations and warranties under the transaction agreements until the aggregate amount of the losses exceeds $3,250,000, at which time the sellers will be obligated to indemnify for the total amount of such losses. The sellers' representations and warranties shall survive the closing until the later of (1) the 30th day following the receipt by Bruker BioSciences of the audited financial statements of the Bruker BioSpin Group for the fiscal year ended December 31, 2008 or (2) the resolution of any claim for indemnification of which the sellers have received notice prior to the conclusion of the 30-day period described in clause (1) of this sentence, except with respect to:

The following representations and warranties, which survive ten years:

ownership of the shares of Bruker Physik and Techneon; and

the capitalization of Bruker Physik, Techneon and their respective subsidiaries.

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

environmental;

labor relations and employee benefits;

no misleading statements; and

proprietary rights.

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

- withholding tax; and
- taxes and tax returns.

The selling shareholders' aggregate indemnification obligations under the transaction agreements may not exceed $92 million, other than with respect to indemnification for losses arising out of (i) criminal activity or fraud or (ii) breaches of the following representations and warranties:

- ownership of shares;
- withholding tax;
- capitalization;
- other interests;
- environmental; and
- no misleading statements.

Termination of the German Share Purchase Agreement

The German share purchase agreement may be terminated at any time prior to closing by the mutual written consent of the parties to the agreement. In addition, either party may terminate the share purchase agreement at any time prior to closing if:

- any governmental entity shall have issued an order permanently restraining, enjoining, or otherwise prohibiting the completion of the acquisition and such order is final and nonappealable;
- stockholder approval is not obtained for the transaction;
- either the Swiss merger agreement with Bruker BioSpin Invest or the U.S. stock purchase agreement with Bruker BioSpin Inc. is terminated; or
- the closing has not occurred by June 30, 2008, unless a breach of the German share purchase agreement by the party seeking termination is the cause of or results in the failure of the acquisition to be completed.

We may terminate the German share purchase agreement at any time prior to closing if the selling stockholders, Bruker Physik, or Techneon breach any of their respective covenants, representations and warranties, or other agreements contained in the stock purchase agreement and the breach would give rise to the failure of a condition to our obligation to complete the acquisition and the breach is not curable or, if curable, is not cured or waived within 20 calendar days after written notice of the breach has been delivered to the breaching party.

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

Expenses

In general, expenses incurred in connection with the German share purchase agreement and the transactions contemplated thereby will be paid by the party incurring such expenses. Expenses incurred in connection with any filings required under the Hart-Scott-Rodino Antitrust Improvements Act of

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1976, as amended, as a result of the acquisition shall be paid by Bruker BioSciences with respect to its own filings and by Bruker Physik and Techneon with respect to their and any selling stockholder's filings. In addition, Bruker BioSciences shall be responsible for the payment of all transfer, documentary, sales, use, registration and other such taxes incurred in connection with the transaction, including all applicable German and other real estate transfer or gains taxes and stock transfer taxes.

Amendment and Waiver

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

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

The Swiss Merger Agreement With Bruker Biospin Invest AG

General

On December 2, 2007, we entered into an Agreement and Plan of Merger with Bruker BioSpin Invest AG, which we sometimes refer to as BioSpin Invest in this proxy statement, Bruker BioSpin Beteiligungs AG and the shareholders of BioSpin Invest relating to the merger of Bruker BioSpin Beteiligungs with and into BioSpin Invest and to approve the related issuance of our common stock in connection with the merger. We sometimes refer to this agreement as the Swiss merger agreement in this proxy statement.

Closing Date

Unless the parties agree otherwise, the closing of the merger will take place on the later of January 23, 2008 or the first business day following the satisfaction or waiver of all of the closing conditions.

Purchase Price Payment

We will pay aggregate consideration of 57,544,872 shares to the BioSpin Invest shareholders, to be paid in restricted unregistered shares of our common stock, which have a market value, as of [December 5, 2007], of $[703,773,785]. Upon consummation of the merger, BioSpin Invest will become an indirect wholly-owned subsidiary of Bruker BioSciences.

Dividend

Prior to the signing of the Swiss merger agreement, BioSpin Invest declared a dividend in the amount of 75 million Swiss Francs (approximately $64.8 million based on the exchange rate of $0.86 U.S. Dollars per Swiss Franc on December 21, 2007) to its shareholders. As permitted under the transaction agreements, this dividend was paid on December 21, 2007.

Escrow

Indemnity Escrow. A $92 million escrow fund established pursuant to the U.S. stock purchase agreement, and discussed above, will serve as security for fulfillment by the sellers of their indemnification obligations set forth in the merger agreement. See the discussion set forth above in

"The Stock Purchase Agreement with Bruker Biospin Inc. Escrow Indemnity Escrow" for additional information regarding the indemnity escrow fund.

Working Capital. A $6.75 million escrow fund established pursuant to the U.S. stock purchase agreement, as discussed above, will serve as security for fulfillment by the sellers of their obligations to deliver a specified amount of working capital in the Bruker BioSpin Group at closing. See the discussion set forth above in "The Stock Purchase Agreement with Bruker Biospin Inc. Escrow Working Capital Escrow" for additional information regarding the working capital escrow fund.

Representations and Warranties

The Swiss merger agreement contains customary representations and warranties made by BioSpin Invest and BioSpin Invest shareholders to Bruker BioSciences, subject, in some cases, to specified exceptions and qualifications contained in the merger agreement or in the disclosure schedule delivered in connection therewith.

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

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

The representations and warranties regarding BioSpin Invest and its subsidiaries made to Bruker BioSciences by BioSpin Invest and its shareholders relate to, among other things:

- corporate organization, including due incorporation, good standing, corporate power and qualification to conduct business;
- authorization, execution, delivery and performance and the enforceability of the merger agreement and related matters;
- capital structure;
- absence of conflicts with, or violations of, organizational documents or other obligations as a result of the consummation of the transactions contemplated by the merger agreement;
- identification of required governmental filings and consents;
- absence of violations of any law, or necessity of any approval, as a result of the execution and delivery of, or consummation of the transactions contemplated by, the merger agreement;
- compliance with applicable laws and permits;

books and records;

delivery and accuracy of financial statements;

absence of undisclosed material liabilities;

litigation matters;

absence of a Material Adverse Effect and certain other material changes or events since December 31, 2006;

disclosure of certain contracts;

employee matters, employee benefit plans, employment agreements, pensions and labor relations;

absence of default under material contracts;

transactions with affiliates;

accounts receivable;

owned and leased property;

environmental matters;

brokers' and finders' fees;

customer deposits;

tax matters;

intellectual property matters;

information technology matters;

bank accounts;

inventory;

insurance policies; and

no representation, warranty, statement or covenant contains an untrue statement of material fact or omits to state a material fact required to be stated in the merger agreement or necessary to make the statements contained in the merger agreement not misleading.

In addition, each BioSpin Invest shareholder made representations and warranties to Bruker BioSciences regarding:

authorization, execution, delivery and performance and the enforceability of the merger agreement and related matters;

absence of conflicts with or violations of the merger agreement or any ancillary agreements;

litigation matters;

identification of required filings and consents;

withholding tax;

brokers' and finders' fees;

beneficial ownership of BioSpin Invest shares;

- the acquisition of BioSpin Invest shares for investment purposes only and the shareholders' status as accredited investors; and
- acknowledgement of appropriate legends on stock certificates received in the merger.

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

- corporate matters, including due organization, good standing, corporate power and qualification;
- capital structure;
- authorization, execution, delivery and performance and the enforceability of the merger agreement and related matters;
- absence of conflicts with, or violations of, organizational documents or other obligations as a result of the consummation of the transactions contemplated by the merger agreement;
- brokers' and finders' fees;
- SEC filings and financial statements; and
- the acquisition of BioSpin Invest shares for investment purposes only and the company's status as an accredited investor.

Covenants

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

- amend any of its organizational documents;
- liquidate, dissolve, recapitalize or otherwise wind up its business;
- make any distribution or declare, pay or set aside any dividend (in cash or property), except as set forth in the merger agreement;
- split, combine, redeem, reclassify, purchase or otherwise acquire any equity interests or shares of capital stock of, or other equity or voting interest in, BioSpin Invest or any subsidiary, or make any other changes in the capital structure of BioSpin Invest or any of its subsidiaries;
- grant any person any right or option to acquire any shares of its capital stock or enter into any discussions or negotiations regarding these topics;

enter into any agreement, understanding or arrangement with respect to the sale, voting, registration or repurchase of its capital stock;

other than in the ordinary course of business, acquire or dispose of any interest in any corporation, partnership or other person or assets comprising a business or any other property or assets;

other than in the ordinary course of business, sell, assign, pledge, dispose of, transfer, lease, license, guarantee or encumber, or authorize the sale, pledge, disposition, transfer, lease, license, guarantee or encumbrance of, any amount of property or assets;

sell, assign, lease, license, transfer or otherwise dispose of, mortgage, pledge or encumber, any real property, or amend, terminate, modify or renew any real property lease;

incur any indebtedness or issue any debt securities or assume, guarantee or endorse the obligations of any other person in excess of $600,000 in the aggregate;

cancel any third-party indebtedness owed to BioSpin Invest;

increase the rate or terms of compensation or benefits of any of its directors, managers, officers, employees, consultants, agents, independent contractors or other individual service providers;

hire any new employees, except in the ordinary course of business, whose total compensation equals $150,000 or greater;

pay or agree to pay any employee benefit not required or permitted by any existing employee benefit plan;

enter into or amend any employment, bonus, severance or retirement contract, except for agreements for newly hired employees in the ordinary course of business with annual compensation not to exceed $150,000;

except as required to ensure that any benefit plan is not then out of compliance with applicable law, enter into or adopt any new, or increase benefits under or renew or amend any existing, benefit plan or benefit arrangement or any collective bargaining agreement;

make any distributions, loans, advances or capital contributions (other than advances for travel and other normal business expenses to officers and employees) except in the ordinary course of business;

commit to make any capital expenditure or fail to make capital expenditures consistent with past practice;

fail to maintain all its assets in good repair and condition, except to the extent of wear or use in the ordinary course of business or damage by fire or other unavoidable casualty;

except as may be required as a result of a change in applicable law or GAAP, make, revoke or change any tax election or change any tax accounting method, settle or compromise any tax liability, or waive or consent to the extension of any statute of limitations for the assessment and collection of any tax;

except as may be required as a result of a change in applicable law or GAAP, change any accounting principles or practices;

other than any reasonable settlement, institute, settle or dismiss any action or claim threatened against, relating to or involving BioSpin Invest or any of its subsidiaries in connection with any business, asset or property of BioSpin Invest or any of its subsidiaries;

other than various intercompany contracts and leases, enter into any long-term contracts involving the payment or provision of goods or services in excess of $500,000, except for the acceptance of customer purchase orders in the ordinary course of business with terms up to 24 months and individual amounts up to $5,000,000;

enter into, renew or amend any contracts relating to derivative instruments or hedging transactions;

enter into, or renew, amend or otherwise modify or extend, any contracts relating to derivative or hedging transactions or similar transactions, including currency derivative or hedging contracts or transactions; or fail to pay the accounts payable or other liabilities or fail to collect the accounts receivable or other indebtedness owed.

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

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

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

Noncompetition and Nonsolicitation. For a period of five years from the closing date, Bruker BioSpin Inc. stockholders and their affiliates may not directly or indirectly: (1) engage in, hold an interest in, own, manage, operate, control, direct, be connected with as a stockholder (other than as a holder of less than 1% of a publicly traded security), joint venturer, partner, consultant or employee, or otherwise engage or participate in, provide services to or be connected in any manner with or assist in any way any entity, person or business that engages in a business involving the design, manufacture and distribution of (a) life science, process control and analytical research tools based on nuclear magnetic resonance, electron paramagnetic resonance, research magnetic resonance imaging, superconducting magnets and wires for nuclear magnetic resonance, electron paramagnetic resonance or research magnetic resonance imaging, (b) cryogenic RF coil technologies for nuclear magnetic resonance, electron paramagnetic resonance or research magnetic resonance imaging, or (c) other specialty power supply technologies; or (2) solicit for employment or hire any employee of BioSpin Invest or any of its subsidiaries without the prior written consent of Bruker BioSciences, unless the employee has replied or responded to either a general solicitation or advertisement for employment by a Bruker BioSpin Group Shareholder or their affiliates or to a solicitation made twelve months after the employee's employment had been terminated by BioSpin Invest.

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

No Election. Bruker BioSciences will not make an election under Section 338 of the Code with respect to BioSpin Invest, or any stock held by BioSpin Invest.

Compulsory Share Transfer. As soon as possible after January 1, 2008, the selling shareholders and BioSpin Invest shall cause certain shares of BioSpin Invest to be transferred to Isolde Laukien-Kleiner, free and clear of any liens, and shall cause the share register of BioSpin Invest to be duly revised to reflect the record and beneficial ownership these shares.

Compulsory Share Transfer Relating to Bruker AG and Bruker International. As soon as possible after January 1, 2008, BioSpin Invest shareholders and BioSpin Invest shall cause all compulsory shares held by the members of the board of directors of Bruker BioSpin AG and Bruker BioSpin International AG to be transferred to BioSpin Invest, free and clear of any liens, and shall cause the share registers of Bruker BioSpin AG and Bruker BioSpin International AG to be duly revised to accurately reflect the record and beneficial ownership of all shares in these companies.

Share Transfer. The selling shareholders and BioSpin Invest shall cause certain shares of BioSpin Invest held of record by Wheeler & Co. for the benefit of Marc M. Laukien, to be transferred to Marc M. Laukien, free and clear of any liens, and shall cause the share register of BioSpin Invest to be duly revised to reflect the record and beneficial ownership these shares.

Conditions to the Acquisition

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

- the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired or been terminated and all necessary consents of any governmental authority required shall have been obtained;

- the waiting period instituted by the European Commission and/or the European Union member states' agencies shall have expired or been terminated and all requisite approvals, waiting or suspensory periods (and any extensions thereof), waivers, permits, consents, reviews, sanctions, orders, rulings, decisions, declarations, certificates and exemptions required for the consummation of the acquisition under any corresponding requirements of the EU member states or competition regulatory authorities in other jurisdictions shall have been obtained;

- the closing of the transactions contemplated by the U.S. stock purchase agreement shall have occurred;

- there shall be no law in effect that restrains, enjoins or otherwise prevents the consummation of the transactions contemplated by the German share purchase agreement or any ancillary agreements;

- a ruling on the merger from the commercial register of the Canton of Zug shall have been received, confirming that merger is in line with Swiss law and that the merger agreement will be registered in the commercial register of the Canton of Zug upon filing;

- a confirmation of a specially qualified auditor pursuant to Article 25(2) of the Swiss Federal Act on Merger, Demerger, Transformation and Transfer of Assets shall have been received; and

- a confirmation that consultation proceedings with employee representatives, pursuant to Article 28 of the Swiss Federal Act on Merger, Demerger, Transformation and Transfer of Assets, have taken place.

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

- the representations and warranties of the BioSpin Invest shareholders (1) that are qualified as to materiality must be true and correct in all respects and (2) that are not qualified as to materiality must be true and correct in all material respects, in each case, between the time of the execution of the merger agreement and as of the closing (other than representations and warranties that speak as of another specific date or time prior to the date of the execution of the merger agreement, which need only be true and correct as of such date or time);

- all of the terms, covenants and conditions to be complied with and performed by the sellers on or prior to the closing shall have been complied with or performed in all material respects;

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Bruker BioSciences shall have received certificates from the BioSpin Invest shareholders certifying that the closing conditions have been satisfied;

the absence of any action, suit or proceeding pending or threatened by or before any governmental authority or by any other person to enjoin, restrain, prohibit or obtain damages in respect of any of the transactions contemplated by the merger agreement or any ancillary agreement, or which would be reasonably likely to prevent or make illegal the consummation of the transactions contemplated by the merger agreement;

BioSpin Invest must have provided Bruker BioSciences with a certification relating to certain tax matters;

BioSpin Invest shall have furnished Bruker BioSciences the Exchange Swiss Transfer Deed and the Cancellation Shares Transfer Deed;

there shall not have occurred since December 2, 2007 any events that have had, or are, individually or in the aggregate, reasonably likely to have a material adverse effect on BioSpin Invest;

Bruker BioSciences shall have received evidence, to its reasonable satisfaction, of the receipt of all requisite third-party and governmental consents;

an insurance policy between Bruker BioSpin and Winterthur Versicherungen, dated October 8, 2007 shall have been amended so that full insurance coverage is provided under the policy before and after the consummation of the merger agreement;

all members of the Board of Directors of Bruker AG and Bruker International shall have terminated their trust agreements relating to their compulsory shares and these shares shall have been transferred to BioSpin Invest and the respective share registers amended accordingly;

condominium ownership under standard terms and conditions shall have been established in the Bruker BioSpin AG building at Industriestrasse 26, CH 8117 Fällanden, Switzerland and the top floor shall have been sold, at fair market value, to Isolde Laukien-Kleiner or an affiliate;

two full-time employment agreements between Werner Schitenhelm and Bruker AG and Bruker International shall have been amended and terminated;

any fees due to Joerg Laukien under the consulting agreement between Joerg Laukien and Bruker BioSpin AG shall as of the closing have been paid by Bruker BioSpin AG, or if paid by Bruker BioSpin International AG, Bruker BioSpin AG shall have undertaken to reimburse Bruker BioSpin International AG for such costs in the future;

Bruker BioSpin KK shall have issued a stock certificate representing BioSpin Invest's ownership of 960,000 shares of Bruker Biospin KK common stock;

the approval of the transactions contemplated by the Swiss merger agreement by the holders of at least a majority of the outstanding shares of common stock of Bruker BioSciences, who are unaffiliated with Bruker BioSpin Group Shareholders, who represent at least a majority of the total votes cast by these unaffiliated holders at the Special Meeting;

the approval of the transactions contemplated by the Swiss merger agreement by the holders of shares of capital stock of Bruker BioSciences representing at least a majority of the total votes cast at the Special Meeting;

all conditions precedent in the German share purchase agreement and the U.S. stock purchase agreement and related ancillary agreements shall have been satisfied or waived;

Bruker BioSciences Corporation and the special committee each shall have received an opinion from its Swiss counsel to the effect that, as a result of the operation of the Swiss Federal Act on Merger, Demerger, Transformation and Transfer of Assets, the following events shall occur simultaneously at the effective time of the merger: (1) All of the assets and liabilities of Bruker BioSpin Beteiligungs shall become the assets and liabilities of BioSpin Invest and (2) Bruker BioSpin Beteiligungs shall cease its separate legal existence for all purposes;

all compulsory share transfers shall have been transferred, free and clear of any liens, to their beneficial owners, and the share register of BioSpin Invest shall reflect the record and beneficial ownership of such shares; and

all shares held of record by Wheeler & Co. or any of its affiliates for the benefit of Marc M. Laukien shall have been transferred to Marc M. Laukien, free and clear of any liens, and the share register of BioSpin Invest shall have been duly revised to accurately reflect the record and beneficial ownership of such shares.

The obligation of the selling shareholders to effect the transactions contemplated by the Swiss merger agreement are subject to the satisfaction or waiver of the following conditions:

the representations and warranties of Bruker BioSciences that (1) are qualified as to materiality must be true and correct in all respects and (2) are not qualified as to materiality must be true and correct in all material respects, in each case between the time of the execution of the merger agreement and as of the closing (other than representations and warranties that speak as of another specific date or time prior to the date of the execution of the merger agreement, which need only be true and correct as of such date or time);

the sellers shall have received a certificate from Bruker BioSciences certifying that certain closing conditions are satisfied;

all of the terms, covenants and conditions to be complied with and performed by Bruker BioSciences on or prior to the date of the closing must have been complied with or performed in all material respects; and

the payment of the merger consideration.

Indemnification

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

any inaccuracy in, or breach of, any representation or warranty made by BioSpin Invest or the selling shareholders under the purchase agreement or any ancillary agreement, without giving effect to any limitations or qualifications as to "materiality" set forth within the merger agreement;

any breach or nonfulfillment of any covenant or agreement on the part of BioSpin Invest or the selling shareholders in respect of pre-closing covenants under the merger agreement or any ancillary agreement;

any fees, expenses or other payments incurred or owed by BioSpin Invest or the selling shareholders to any agent, broker, investment banker or other firm or person retained or employed by BioSpin Invest AG or the selling shareholders in connection with the transactions contemplated by the merger agreement;

- any liability for taxes, including withholding taxes, arising out of or related to the payment of the special dividend by BioSpin Invest to the BioSpin Invest shareholders, but specifically excluding any liability for taxes, including withholding taxes, of a subsidiary incurred by reason of its payment of any subsidiary dividend to BioSpin Invest; or

- any liability for taxes arising out of or related to an inaccuracy in, or breach of, any tax representation or warranty in each of the U.S. stock purchase agreement, the German share purchase agreement and the Swiss merger agreement, other than losses arising from criminal activity or fraud, in excess of $10 million; provided, however, that the $3.25 million described in the limitations on indemnification below shall not apply to this tax liability.

Limitations on Indemnification

In general, the selling shareholders are not obligated to indemnify Bruker BioSciences with respect to losses suffered by Bruker BioSciences resulting from a breach of any representations and warranties under the transaction agreements until the aggregate amount of the losses exceeds $3,250,000, at which time the selling shareholders will be obligated to indemnify Bruker BioSciences for the total amount of such losses. The sellers' representations and warranties shall survive the closing until the later of (1) the 30th day following the receipt by Bruker BioSciences of the audited financial statements of the Bruker BioSpin Group for the fiscal year ended December 31, 2008 or (2) the resolution of any claim for indemnification of which the sellers have received notice prior to the conclusion of the 30-day period described in clause (1) of this sentence, except with respect to:

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

- ownership of the shares of BioSpin Invest; and

- the capitalization of BioSpin Invest and its subsidiaries, and other interests.

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

- environmental;

- no misleading statements;

- employee benefits; and

- proprietary rights.

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

- withholding tax; and

- taxes and tax returns.

The selling shareholders' aggregate indemnification obligations under the transaction agreements may not exceed $92 million, other than with respect to indemnification for losses arising out of (i) criminal activity or fraud or (ii) breaches of the following representations and warranties:

ownership of the shares;

withholding tax;

taxes;

capitalization; and

environmental.

Termination of the Swiss Merger Agreement

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

- any governmental entity shall have issued an order permanently restraining, enjoining, or otherwise prohibiting the completion of the acquisition and such order is final and nonappealable;
- we do not receive stockholder approval for the transaction;
- either the U.S. stock purchase agreement or the German share purchase agreement is terminated; or
- the closing has not occurred by June 30, 2008, unless a breach of the merger agreement by the party seeking termination is the cause of or results in the failure of the acquisition to be completed.

Bruker BioSciences may terminate the merger agreement at any time prior to closing if the selling shareholders or BioSpin Invest breach any of their respective covenants, representations and warranties, or other agreements contained in the merger agreement and such breach would give rise to the failure of a condition to Bruker BioSciences' obligation to complete the acquisition and such breach is not curable or, if curable, is not cured or waived within 20 calendar days after written notice of such breach has been delivered to the breaching party.

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

Expenses

In general, expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring such expenses. Expenses incurred in connection with any filings required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or corresponding requirements of the European Commission and/or the European Union member states agencies or competition regulatory authorities in other jurisdictions, as a result of the acquisition shall be paid by Bruker BioSciences with respect to its own filings and by BioSpin Invest with respect to its and any selling shareholder's filings.

Amendment and Waiver

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

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

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The Unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2007 and Statements of Operations for the nine months ended September 30, 2007 and 2006 and for the years ended December 31, 2006, 2005 and 2004 include the historical consolidated statements of operations of the combined Bruker BioSciences and the Bruker BioSpin Group, giving effect to the acquisitions as if they had occurred on January 1, 2004. This information is only a summary, and you should read it in conjunction with the Bruker BioSciences historical consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the annual reports, quarterly reports and other information on file with the Securities and Exchange Commission and the Bruker BioSpin Group historical consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere in this Proxy (see page [93]). See "Where You Can Find More Information" on page [148].

Both Bruker BioSciences and the Bruker BioSpin Group are majority owned by the Bruker BioSpin Group Shareholders. As a result, the acquisition of the Bruker BioSpin Group by Bruker BioSciences is considered a business combination of companies under common control. Accordingly, the acquisition of the Bruker BioSpin Group will be accounted for at historical carrying values.

We have prepared the unaudited pro forma condensed combined financial statements based on available information, using assumptions that we believe are reasonable. For details about the assumptions used, see footnotes 3 and 4 to the unaudited pro forma condensed combined financial statements. These unaudited pro forma condensed combined financial statements are being provided for informational purposes only. They do not purport to represent our actual financial position or results of operations had the merger occurred on the dates specified nor do they project our results of operations or financial position for any future period or date.

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

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

AS OF SEPTEMBER 30, 2007

(in thousands)

	Bruker BioSciences	Bruker BioSpin	Eliminations	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
ASSETS						
Current Assets						
Cash and cash equivalents	$ 38,904	$ 268,819	$	$ 307,723	$ (112,100)(3a)(3f)	$ 195,623
Short-term investments and restricted cash		12,794		12,794		12,794
Accounts receivable, net	85,840	70,030		155,870		155,870
Due from affiliated companies	6,366	8,389	(14,755)(2a)			
Note receivable from affiliate		188	(188)(2a)			
Inventories	184,248	290,363	(922)(2a)(2g)	473,689		473,689
Other current assets	28,082	28,124		56,206	(1,067)(3b)(3e)	55,139
Total current assets	343,440	678,707	(15,865)	1,006,282	(113,167)	893,115
Property, plant and equipment, net	101,015	102,404		203,419		203,419
Intangibles and other assets	53,909	11,818		65,727		65,727
Total assets	$ 498,364	$ 792,929	$ (15,865)	$ 1,275,428	$ (113,167)	$ 1,162,261
LIABILITIES AND SHAREHOLDERS EQUITY						
Current liabilities						
Short-term borrowings	$ 21,014	$ 7,332	$	$ 28,346	$	$ 28,346
Accounts payable	31,103	24,297		55,400		55,400
Due to affiliated companies	7,526	7,134	(14,660)(2a)			
Customer deposits	44,345	191,612		235,957		235,957
Other current liabilities	106,462	98,001	(451)(2g)	204,012		204,012
Total current liabilities	210,450	328,376	(15,111)	523,715		523,715
Long-term debt	18,078	2,342		20,420	351,285(3a)(3b)	371,705
Other long-term liabilities	31,321	51,450		82,771		82,771
Minority interest						
Stockholders equity:						
Common stock	1,047	89		1,136	486(3c)	1,622
Treasury stock	(92)			(92)	92	
Additional paid-in capital	169,864	31,273		201,137	(388,578)(3d)	(187,441)
	34,227	285,218	(754)(2g)	318,691	(76,452)(3b)(3e)(3f)	242,239

	Bruker BioSciences	Bruker BioSpin	Eliminations	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
Retained earnings (accumulated deficit)						
Accumulated other comprehensive income	33,469	94,181		127,650		127,650
Total shareholders' equity	238,515	410,761	(754)	648,522	(464,452)	184,070
Total liabilities and shareholders' equity	$ 498,364	$ 792,929	$ (15,865)	$ 1,275,428	$ (113,167)	$ 1,162,261

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

(in thousands, except per share data)

	Bruker BioSciences	Bruker BioSpin	Eliminations	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
Product revenue	$ 317,243	$ 318,469	$ (26,349)(2b)	$ 609,363	$	$ 609,363
Service revenue	46,169	31,492		77,661		77,661
Other revenue	421	1,932		2,353		2,353
Total revenue	363,833	351,893	(26,349)	689,377		689,377
Cost of product revenue	166,525	190,658	(25,144)(2d)	332,039		332,039
Cost of service revenue	29,816	19,368		49,184		49,184
Total cost of revenue	196,341	210,026	(25,144)	381,223		381,223
Gross profit	167,492	141,867	(1,205)	308,154		308,154
Operating expenses:						
Sales and marketing	74,909	35,909		110,818		110,818
General and administrative	23,666	18,769		42,435		42,435
Research and development	42,302	38,160		80,462		80,462
Acquisition related charges	370	174		544	(544)(4a)	
Total operating expenses	141,247	93,012		234,259	(544)	233,715
Operating income	26,245	48,855	(1,205)	73,895	544	74,439
Interest and other income (expense), net	(825)	5,369		4,544	(16,274)(4b)	(11,730)
Income before income tax provision and minority interest in consolidated subsidiaries	25,420	54,224	(1,205)	78,439	(15,730)	62,709
Income tax provision	7,655	10,696	(451)(2f)	17,900	(2,500)(4b)	15,400
Income before minority interest in consolidated subsidiaries	17,765	43,528	(754)	60,539	(13,230)	47,309
Minority interest in consolidated subsidiaries	255			255		255
Net income	$ 17,510	$ 43,528	$ (754)	$ 60,284	$ (13,230)	$ 47,054
Net income per common share basic	$ 0.17					$ 0.29
Net income per common share diluted	$ 0.16					$ 0.29
Weighted average common shares outstanding:						
Basic	103,806				57,545(4c)	161,351
Diluted	106,484				57,545(4c)	164,029

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006

(in thousands, except per share data)

	Bruker BioSciences	Bruker BioSpin	Eliminations	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
Product revenue	$ 264,104	$ 284,817	$ (24,234)(2b)	$ 524,687	$	$ 524,687
Service revenue	34,970	26,965		61,935		61,935
Other revenue	1,135	1,705		2,840		2,840
Total revenue	300,209	313,487	(24,234)	589,462		589,462
Cost of product revenue	143,414	164,406	(24,177)(2d)	283,643		283,643
Cost of service revenue	20,633	16,583		37,216		37,216
Total cost of revenue	164,047	180,989	(24,177)	320,859		320,859
Gross profit	136,162	132,498	(57)	268,603		268,603
Operating expenses:						
Sales and marketing	58,795	33,529		92,324		92,324
General and administrative	20,319	16,795		37,114		37,114
Research and development	36,495	38,889		75,384		75,384
Bruker Optics acquisition related charges	5,829			5,829		5,829
Total operating expenses	121,438	89,213		210,651		210,651
Operating income	14,724	43,285	(57)	57,952		57,952
Interest and other income (expense), net	3,522	2,687		6,209	(16,274)(4b)	(10,065)
Income before income tax provision and minority interest in consolidated subsidiaries	18,246	45,972	(57)	64,161	(16,274)	47,887
Income tax provision	9,398	15,505	(19)(2f)	24,884	(2,500)(4b)	22,384
Income before minority interest in consolidated subsidiaires	8,848	30,467	(38)	39,277	(13,774)	25,503
Minority interest in consolidated subsidiaries	75			75		75
Net income	$ 8,773	$ 30,467	$ (38)	$ 39,202	$ (13,774)	$ 25,428
Net income per common share basic and diluted	$ 0.09					$ 0.16
Weighted average common shares outstanding:						
Basic	101,635				57,545(4c)	159,180
Diluted	102,090				57,545(4c)	159,635

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2006

(in thousands, except per share data)

	Bruker BioSciences	Bruker BioSpin	Eliminations	Historical Restated	Pro Forma Adjustments	Pro Forma Combined
Product revenue	$ 384,548	$ 405,765	$ (32,312)(2b)	$ 758,001	$	$ 758,001
Service revenue	49,930	37,943		87,873		87,873
Other revenue	1,356	3,246		4,602		4,602
Total revenue	435,834	446,954	(32,312)	850,476		850,476
Cost of product revenue	206,628	222,974	(31,956)(2d)	397,646		397,646
Cost of service revenue	29,872	23,335		53,207		53,207
Total cost of revenue	236,500	246,309	(31,956)	450,853		450,853
Gross profit	199,334	200,645	(356)	399,623		399,623
Operating expenses:						
Sales and marketing	84,007	48,931		132,938		132,938
General and administrative	28,982	21,326		50,308		50,308
Research and development	49,959	53,657		103,616		103,616
Bruker Optics acquisition related charges	5,724			5,724		5,724
Total operating expenses	168,672	123,914		292,586		292,586
Operating income	30,662	76,731	(356)	107,037		107,037
Interest and other income (expense), net	3,758	958		4,716	(21,697)(4b)	(16,981)
Income before income tax provision and minority interest in consolidated subsidiaries	34,420	77,689	(356)	111,753	(21,697)	90,056
Income tax provision	15,931	21,115	(118)(2f)	36,928	(3,332)(4b)	33,596
Income before minority interest in consolidated subsidiaries	18,489	56,574	(238)	74,825	(18,365)	56,460
Minority interest in consolidated subsidiaries	8			8		8
Net income	$ 18,481	$ 56,574	$ (238)	$ 74,817	$ (18,365)	$ 56,452
Net income per common share basic and diluted	$ 0.18					$ 0.35
Weighted average common shares outstanding:						
Basic	101,512				57,545(4c)	159,057
Diluted	102,561				57,545(4c)	160,106

During 2004, the Bruker BioSpin Group recorded a pre-tax charge against operating income of $28.5 million to cover litigation expenses and probable liabilities associated with alleged patent infringement litigation by a competitor against the Bruker BioSpin Group. The related accrual was included in long-term other liabilities on the condensed consolidated balance sheet as of December 31, 2004. During 2005, a favorable settlement agreement was signed for various magnet patent litigation cases, which released the Bruker BioSpin Group from any infringement liabilities and, as a result, a pre-tax amount of $25.8 million of this liability was reversed, and this contributed positively to operating income in 2005.

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2005

(in thousands, except per share data)

	Bruker BioSciences	Bruker BioSpin	Eliminations	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
Product revenue	$ 329,452	$ 402,512	$ (29,642)(2b)	$ 702,322	$	$ 702,322
Service revenue	40,471	36,370		76,841		76,841
Other revenue	2,330	6,353		8,683		8,683
Total revenue	372,253	445,235	(29,642)	787,846		787,846
Cost of product revenue	178,831	230,651	(29,452)(2d)	380,030		380,030
Cost of service revenue	27,443	22,368		49,811		49,811
Total cost of revenue	206,274	253,019	(29,452)	429,841		429,841
Gross profit	165,979	192,216	(190)	358,005		358,005
Operating expenses:						
Sales and marketing	70,458	45,176		115,634		115,634
General and administrative	25,601	23,795		49,396		49,396
Research and development	47,498	55,180		102,678		102,678
Special credit		(25,754)		(25,754)		(25,754)
Total operating expenses	143,557	98,397		241,954		241,954
Operating income	22,422	93,819	(190)	116,051		116,051
Interest and other income (expense), net	(780)	8,003		7,223	(21,697)(4b)	(14,474)
Income before income tax provision and minority interest in consolidated subsidiaries	21,642	101,822	(190)	123,274	(21,697)	101,577
Income tax provision	11,855	26,596	(67)(2f)	38,384	(3,332)(4b)	35,052
Income before minority interest in consolidated subsidiaries	9,787	75,226	(123)	84,890	(18,365)	66,525
Minority interest in consolidated subsidiaries	40			40		40
Net income	$ 9,747	$ 75,226	$ (123)	$ 84,850	$ (18,365)	$ 66,485
Net income per common share basic and diluted	$ 0.10					$ 0.42
Weighted average common shares outstanding:						
Basic	100,823				57,545(4c)	158,368
Diluted	101,130				57,545(4c)	158,675

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2004

(in thousands, except per share data)

	Bruker BioSciences	Bruker BioSpin	Eliminations	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
Product revenue	$ 317,269	$ 456,526	$ (32,495)(2b)	$ 741,300	$	$ 741,300
Service revenue	37,381	27,873		65,254		65,254
Other revenue	2,339	2,930		5,269		5,269
Total revenue	356,989	487,329	(32,495)	811,823		811,823
Cost of product revenue	182,377	271,022	(32,675)(2d)	420,724		420,724
Cost of service revenue	23,758	17,142		40,900		40,900
Total cost of revenue	206,135	288,164	(32,675)	461,624		461,624
Gross profit	150,854	199,165	180	350,199		350,199
Operating expenses:						
Sales and marketing	72,716	48,330		121,046		121,046
General and administrative	23,180	26,360		49,540		49,540
Research and development	48,364	53,855		102,219		102,219
Special charges		28,469		28,469		28,469
Total operating expenses	144,260	157,014		301,274		301,274
Operating income	6,594	42,151	180	48,925		48,925
Interest and other income (expense), net	(4,847)	(6,760)		(11,607)	(21,697)(4b)	(33,304)
Income before income tax provision and minority interest in consolidated subsidiaries	1,747	35,391	180	37,318	(21,697)	15,621
Income tax provision	5,533	11,735	69(2f)	17,337	(3,332)(4b)	14,005
Income before minority interest in consolidated subsidiaries	(3,786)	23,656	111	19,981	(18,365)	1,616
Minority interest in consolidated subsidiaries	69			69		69
Net income	$ (3,855)	$ 23,656	$ 111	$ 19,912	$ (18,365)	$ 1,547
Net income per common share basic and diluted	$ (0.04)					$ 0.01
Weighted average common shares outstanding:						
Basic	99,797				57,545(4c)	157,342
Diluted	99,797				57,545(4c)	157,342

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Description of Transaction and Basis of Presentation

Under the acquisition agreements, Bruker BioSciences will acquire all of the stock of the companies of the Bruker BioSpin Group. Approximately $388.0 million [(or 42.5% of the purchase price)] will be paid in cash, while the stock component will consist of 57,544,872 shares of Bruker BioSciences shares, which have an aggregate market value of approximately $[703.8] million as of [December 5, 2007] [(or 57.5% of the purchase price)]. The cash component of the purchase price will be funded from approximately $47.0 million of existing cash, and approximately $341.0 million from a planned senior credit facility. The number of Bruker BioSciences shares to be issued for the stock component of the purchase price was determined by dividing $526.0 million by the trailing average of the Bruker BioSciences closing price per share, as reported in The Wall Street Journal, for the period of ten (10) consecutive trading days ending two (2) trading days prior to the date of the signing of the transaction agreements, which was on December 2, 2007.

The Bruker BioSpin Group Shareholders, who presently own approximately 52% of Bruker BioSciences on an undiluted basis, also own 100% of the stock of the Bruker Biospin Group. This acquisition therefore is a related-party transaction. Pursuant to the acquisition agreements, the transactions are subject to the approval of both a majority of Bruker BioSciences shareholders, and a majority of the non-affiliated Bruker BioSciences shareholders who vote on the transaction. The acquisition agreements were signed among Bruker BioSciences, the Bruker BioSpin Group and all of the Bruker BioSpin Group Shareholders.

The following pro forma adjustments are based on available information and various estimates and assumptions. Actual adjustments will differ from the pro forma adjustments. We believe that these assumptions provide a reasonable basis for presenting the significant effects of the merger and that the pro forma adjustments give appropriate effect to these assumptions and are properly applied in the unaudited pro forma condensed combined financial statements.

The unaudited pro forma statements of operations for the nine months ended September 30, 2007 and 2006 and for the years ended December 31, 2006, 2005 and 2004 combine the historical consolidated statements of operations of Bruker BioSciences and the Bruker BioSpin Group and also reflect the elimination of intercompany transactions, giving effect to the acquisition as if it had occurred on January 1, 2004. The unaudited pro forma condensed consolidated balance sheet gives effect to the acquisition as if it occurred on September 30, 2007.

2. Eliminations in the Combined Balance Sheet and Statements of Operations

The eliminations column in the restated combined financial statements reflects the elimination of all intercompany transactions, which include (in thousands):

(a) Adjustment to eliminate intercompany accounts receivables and payable balances at the end of the period.

(b) Adjustment to eliminate product sales between Bruker BioSciences and the Bruker BioSpin Group during the period presented.

(c) Adjustment to eliminate service sales between Bruker BioSciences and the Bruker BioSpin Group during the period presented.

(d) Adjustment to eliminate product cost of sales between Bruker BioSciences and the Bruker BioSpin Group during the period presented as well as profit in inventory on the balance sheet at the end of each period.

(e)
Adjustment to eliminate service cost of sales between Bruker BioSciences and the Bruker BioSpin Group during the period presented as well as profit in inventory on the balance sheet at the end of each period.

(f)
Adjustment to record the income tax provision (benefit) associated with the elimination of profit in inventory.

(g)
Adjustments to eliminate profit included in inventory, to reduce the income taxes payable associated with the elimination of profit in inventory and to adjust retained earnings for the period for the elimination of profit in inventory.

3. Pro Forma Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet

The unaudited pro forma condensed consolidated balance sheet gives effect to the acquisition as if it occurred on September 30, 2007. Pro forma adjustments have been made and are described below (in thousands, except share and per share data)

(a)
The estimated cash to be paid is [42.5%] of the total consideration, or $388 million. We have assumed the following in calculating the pro forma cash adjustment:

i.
The Bruker BioSpin Group Shareholders have elected to receive a combination of cash and stock. The percentage of cash and stock varies for each of the individual shareholders. Since the trailing average of the Bruker BioSciences closing price per share for the period of ten consecutive trading days ending two trading days prior to the signing of the transaction agreements was $9.14, the six shareholders will receive 57,544,872 shares of Bruker BioSciences, with a market value of $[703.8] million as of [December 5, 2007], and the remainder, $388 million, in cash.

ii.
We anticipate borrowing approximately $351 million under a senior credit facility to partially finance the acquisition of the Bruker BioSpin Group and related expenses, which will increase our long-term debt at the date of the acquisition.

(b)
Adjustment to record an additional draw-down on the anticipated revolving credit facility for estimated acquisition related costs of $10.8 million associated with the transaction. Total acquisition related costs are estimated to be $11.2 million, of which $370,000 and $174,000, respectively, were accrued for on the books of Bruker BioSciences and the Bruker BioSpin Group as of September 30, 2007. Acquisition related costs include investment banking, legal, accounting and antitrust regulation filing fees as well as compensation to be earned by the special committee of the Company's Board of Directors and fees for establishing the senior credit facility. Of the $10.8 million of acquisition related charges referenced above, $2.9 million relates to establishing the senior credit facility, which will be capitalized and amortized over the life of the facility. The remainder of the anticipated acquisition related charges which were not accrued for as of September 30, 2007, or $7.9 million will be expensed as incurred.

(c)
Adjustment to reflect the $0.01 per share par value associated with the 57,544,872 additional shares of Bruker BioSciences common stock to be issued to the Bruker BioSpin Group

Shareholders in connection with the acquisition, less the elimination of the Bruker BioSpin Group common stock par value.

(d)
Adjustment to reflect the additional paid in capital associated with the additional shares of Bruker BioSciences common stock to be issued to the Bruker BioSpin Group Shareholders in connection with the acquisition, offset by a deemed dividend to the affiliated shareholders.

(e)
Adjustment to establish a valuation allowance for the U.S. deferred tax assets of Bruker BioSpin Group.

(f)
Adjustments to reflect the dividend of approximately $64.8 million (75 million Swiss Francs at an exchange rate of $0.86 US Dollars per Swiss Franc as of the payment date) declared by Bruker BioSpin in November 2007 and paid on December 21, 2007.

4. Pro Forma Adjustments to the Unaudited Pro Forma Condensed Combined Statements of Operations

The Unaudited Pro Forma Condensed Combined Statements of Operations give effect to the acquisition of the Bruker BioSpin Group as if it occurred on January 1, 2004. Pro forma adjustments have been made and are described below:

(a)
We estimate that Bruker BioSciences will incur merger related costs of $11.2 million related to the acquisition of the Bruker BioSpin Group. These costs include investment banking, legal, accounting and antitrust regulation filing fees as well as compensation to be earned by the special committee of the Company's Board of Directors and fees for establishing the senior credit facility. We will be required to expense all of these costs in the period incurred, except for the costs related to establishing the senior credit facility, which are estimated to be $2.9 million. The costs associated with establishing the senior credit facility will be amortized ratably over the life of the senior credit facility, or five years. During the third quarter of 2007, Bruker BioSciences and the Bruker BioSpin Group in the aggregate incurred $370,000 of these acquisition related costs. These costs were removed as part of the pro forma adjustments as they are material, non-recurring charges directly related to the merger. The merger related costs were not tax effected because Bruker BioSciences was in a net loss position for U.S. tax purposes, the jurisdiction where the expenses were recorded.

(b)
Adjustment reflects the impact of:

A reduction of interest income related to the cash on hand of $47 million expected to be used to finance a portion of the acquisition. We estimate that we receive an average interest rate of 3% on cash and short-term investments, which results in a reduction to interest income of $1.4 million on an annual basis and $1.1 million for nine month periods. We have assumed this reduction in interest income would occur primarily in certain German operations, and accordingly, have recorded an associated tax benefit of $564,000 and $423,000, respectively, for the annual and nine month periods.

A reduction of interest income related to the dividend of approximately $64.8 million (75 million Swiss Francs at an exchange rate of $0.86 US Dollars per Swiss Franc as of December 21, 2007). We estimate that we receive an average interest rate of 3% on cash and short-term investments, which results in a reduction to interest income of $2.0 million on an annual basis and $1.5 million for nine month periods. We have assumed this reduction in interest income would occur primarily in certain Swiss operations, and accordingly, have recorded an associated tax benefit of $170,000 and $128,000, respectively, for the annual and nine month periods.

An increase in interest expense associated with the anticipated senior credit facility. We expect to borrow approximately $351 million at an average rate of 5.2% to finance a portion of the Bruker BioSpin Group acquisition and to settle certain acquisition related charges, which results in an increase in interest expense of $18.3 million on an annual basis and $13.7 million for nine month periods. The debt is to be incurred in the United States, Switzerland and Germany. The interest on the portion of the debt in the United States has not been tax effected because Bruker BioSciences was in a net loss position for U.S. tax purposes as of the end of each period. We have recorded tax benefits of $3.2 million and $2.4 million, respectively, for the annual and nine month periods for the portion of the debt to be incurred in our Swiss and German subsidiaries.

(c)
The change in basic and diluted average shares outstanding reflects the adjustment for the additional shares of Bruker BioSciences common stock to be issued to the Bruker BioSpin Group Shareholders upon consummation of the transaction.

INFORMATION ABOUT THE BRUKER BIOSPIN GROUP

Business Overview

The companies of the Bruker BioSpin Group develop, manufacture and distribute life science analytical instrumentation and solutions based on magnetic resonance core technology. The companies' products include tools developed for nuclear magnetic resonance, or NMR, electron paramagnetic resonance, or EPR, magnetic resonance imaging, or MRI. The Bruker BioSpin Group also designs and develops superconducting wire materials that can be used in a variety of applications including power cables, motors, generators and superconducting magnets. Products and solutions developed by the Bruker BioSpin Group are utilized in a wide variety of applications, including:

- life science applications including the structure and function determination of large biomolecules such as proteins and membrane proteins;
- pharmaceutical and biotech research and manufacturing to identify new compounds, observe the interaction of drugs with a target protein, study the toxicology of drug candidates and identify properties of the final product;
- metabolic profiling and fingerprinting, where patterns can be evaluated using spectroscopic techniques combined with multivariate statistical methods to gain insight into the response of a biological system to perturbations in a time-related manner;
- non-invasive magnetic resonance imaging aimed at detecting the origins of disease related pathways and targets by combining the use of molecular biomarkers;
- structure determination and elucidation for application in organic and inorganic synthesis;
- materials research for the design and characterization of materials such as polymers, catalysts, fuel cell materials, etc.;
- food, beverage and agricultural analysis for the monitoring of the production and distribution cycle of products to ensure their origin, authenticity, safety and reliability; and
- superconducting magnets for use in magnetic resonance, imaging and physics experiments.

Magnetic resonance is the core technology of the Bruker BioSpin Group. Magnetic resonance is a natural phenomenom occurring when a molecule, placed in a magnetic field, gives off a radio frequency signature. The signature is characteristic of the particular molecule and this leads to a multitude of precise chemical and structural information. A typical magnetic resonance instrument includes a radio frequency source and transmitter, one or more very sensitive detectors, a magnet sized for the particular application and operating and analysis software.

When magnetic resonance is used to analyze the resonance effect of various atoms, it is known as NMR. NMR is a widely used analytical technique by academia, pharmaceutical and biotechnology companies and other industrial users in life sciences and materials science research.

When an image is reconstructed by localizing the origin of the NMR signal, this is known as MRI. The Bruker BioSpin Group's MRI products focus on pre-clinical applications, mainly research on small animals for disease studies and drug discovery by pharmaceutical companies and academia.

When the magnetic resonance signals arise from the electrons contained in a molecule, this is known as EPR. EPR is used mainly in academia for research purposes. All three magnetic resonance techniques employ strong magnetic fields which are typically reached through the use of superconducting magnets. The Bruker BioSpin Group is a leader in superconducting magnet technology and also owns a developer and manufacturer of the specialty superconducting wires needed for magnetic resonance magnets.

The Bruker BioSpin Group's magnetic resonance product line is complimented with a number of accessories. These accessories include a wide array of sample handling devices for automation and high throughput applications, as well as advanced data management and analysis software. These accessories permit the Bruker BioSpin Group to tailor its products for specific customers.

In addition to these magnetic resonance instruments, the Bruker BioSpin Group also manufactures bench-top instruments for process control, quality assurance and quality control applications. The Bruker BioSpin Group typically sells these bench-top instruments to the pharmaceutical industry, the food industry and other industrial customers.

The Bruker BioSpin Group includes research and manufacturing facilities in Germany, Switzerland, France and the U.S., as well as numerous sales, applications and service offices throughout the U.S., Europe, Asia and South America. The Bruker BioSpin Group employs approximately 1,850 people throughout the world.

Bruker BioSpin Inc.
15 Fortune Drive
Billerica, Massachusetts 01821
(978) 439-9899
http://www.bruker.com

Bruker BioSpin Inc. was incorporated in Delaware in June 2000, originally as Bruker BioSpec Inc., later changing its name to Bruker BioSpin Inc. Bruker BioSpin Inc. is a privately held company, wholly owned by the Bruker BioSpin Group Shareholders. Bruker BioSpin Inc. is the holding company for the U.S. operations of the Bruker BioSpin Group.

Bruker Physik GmbH
Silberstreifen 4
76287 Rheinstetten
Germany
http://www.bruker.com

Bruker Physik GmbH was incorporated in 1960 in Germany. It is a holding company that includes the German Bruker BioSpin Group companies as well as European Advanced Superconductors GmbH & Co. KG, or EAS, and European High Temperature Superconductors GmbH & Co. KG, or EHTS. Bruker Physik is a privately held company, ultimately wholly owned by the Bruker BioSpin Group Shareholders.

Bruker BioSpin Invest AG
Aegeristrasse 52
Postfach 351
6301 Zug Switzerland
http://www.bruker.com

Bruker BioSpin Invest AG was incorporated in Switzerland in 1986. It is a holding company that includes the Swiss Bruker BioSpin Group companies. Bruker BioSpin Invest AG is a privately held company, wholly owned by the Bruker BioSpin Group Shareholders.

Bruker BioSpin Group Supplementary Financial Information

	Nine Months Ended September 30,		Years Ended December 31,		
	2007	2006	2006	2005	2004
			(in thousands)		
Condensed Consolidated Statement of Operations Date:					
Total revenue	$ 351,893	$ 313,487	$ 446,954	$ 445,235	$ 487,329
Cost of revenue	210,026	180,989	246,309	253,019	288,164
Gross profit	141,867	132,498	200,645	192,216	199,165
Operating expenses	93,012	89,213	123,914	98,397	157,014
Operating income	48,855	43,285	76,731	93,819	42,151
Net income	$ 43,528	$ 30,467	$ 56,574	$ 75,226	$ 23,656

	As of September 30,		As of December 31,		
	2007	2006	2006	2005	2004
			(in thousands)		
Condensed Consolidated Balance:					
Cash and cash equivalents	$ 268,819	$ 219,060	$ 259,094	$ 248,782	$ 237,758
Working capital	350,331	302,303	328,184	281,057	340,675
Total assets	792,292	712,416	762,669	727,893	797,616
Total debt	9,674	20,105	12,802	23,306	42,184
Other long-term liabilities	51,450	41,545	45,485	37,513	91,098
Total shareholders equity	$ 410,761	$ 355,442	$ 385,735	$ 335,160	$ 339,166

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of Bruker BioSpin Group's financial condition and results of operations is based upon Bruker BioSpin Group's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires that Bruker BioSpin Group makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, Bruker BioSpin Group's management evaluates its estimates and judgments, including those related to revenue recognition, allowance for doubtful accounts, inventories, warranty costs, income taxes and contingencies. Bruker BioSpin Group bases its estimates and judgments on historical experience, current market and economic conditions, its observance of industry trends and other assumptions that Bruker BioSpin Group believes are reasonable and form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Bruker BioSpin Group believes the following critical accounting policies to be both those most important to the portrayal of its financial condition and those that require the most subjective judgment.

Revenue recognition. The Bruker BioSpin Group recognizes revenue from system sales when persuasive evidence of an arrangement exists, the price is fixed or determinable, title and risk of loss has been transferred to the customer and collectibility of the resulting receivable is reasonably assured. Title and risk of loss is generally transferred to the customer upon receipt of a signed customer acceptance for a system that has been shipped, installed, and for which the customer has been trained. As a result, the timing of customer acceptance or readiness could cause the Bruker BioSpin Group's reported revenues to differ materially from expectations. When products are sold through an independent distributor, a strategic distribution partner or an unconsolidated affiliated distributor, which assumes responsibility for installation, the Bruker BioSpin Group recognizes the system as revenue when the product has been shipped and title and risk of loss has been transferred. The Bruker BioSpin Group's distributors do not have price protection rights or rights to return; however, the Bruker BioSpin Group's products are warranted to be free from defects for a period of one to two years. Revenue is deferred until cash is received when a significant portion of the fee is due over one year after delivery, installation and acceptance of the system. For arrangements with multiple elements, the Bruker BioSpin Group recognizes revenue for each element based on the fair value of the element provided when all other criteria for revenue recognition have been met. The fair value for each element provided in multiple element arrangements is typically determined by referencing historical pricing policies when the element is sold separately. Changes in the Bruker BioSpin Group's ability to establish the fair value for each element in multiple element arrangements could affect the timing of revenue recognition.

Revenue from the sale of accessories and parts is recognized upon shipment and service revenue is recognized as the services are performed.

Other revenues are comprised of research grants and licensing agreements. Grant revenue is recognized as work is performed. Licensing revenue is recognized ratably over the term of the related contract.

Warranty costs. Bruker BioSpin Group normally provides a one to two year parts and labor warranty with the purchase of equipment. The anticipated cost for this one to two year warranty is accrued upon recognition of the sale and is included as a current liability on the balance sheet. Although Bruker BioSpin Group's facilities undergo quality assurance and testing procedures throughout the production process, its warranty obligation is affected by product failure rates, material usage and service delivery costs incurred in correcting a product failure. Although Bruker BioSpin Group's actual warranty costs have historically been consistent with expectations, to the extent warranty claim activity or costs associated with servicing those claims differ from Bruker BioSpin Group's estimates, revisions to the warranty accrual may be required.

Inventories. Inventories are stated at the lower of cost or market, with cost determined by the first-in, first-out method. Bruker BioSpin Group maintains an allowance for excess and obsolete inventory to reflect the expected un-saleable or un-refundable inventory based on an evaluation of slow moving products. If ultimate usage or demand varies significantly from expected usage or demand, additional write-downs may be required, resulting in a charge to operations.

Allowance for doubtful accounts. Bruker BioSpin Group maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to pay amounts due. If the financial condition of Bruker BioSpin Group's customers were to deteriorate, reducing their ability to make payments, additional allowances would be required, resulting in a charge to operations.

Income taxes. Bruker BioSpin Group estimates the degree to which tax assets and loss carryforwards will result in a benefit based on expected profitability by tax jurisdiction, and provide a valuation allowance for tax assets and loss carryforwards that Bruker BioSpin Group believes will more likely than not go unused. If it becomes more likely than not that a tax asset or loss carryforward will be used for which a reserve has been provided, Bruker BioSpin Group reverses the related valuation allowance. If Bruker BioSpin Group's actual future taxable income by tax jurisdiction differ from estimates, additional allowances or reversals of reserves may be necessary.

RESULTS OF OPERATIONS

Nine months ended September 30, 2007 compared to the nine months ended September 30, 2006

Revenue

Bruker BioSpin Group's revenues were $351.9 million for the nine months ended September 30, 2007 compared to $313.5 million for the nine months ended September 30, 2006. The increase from prior year results is $38.4 million or 12.2%. Excluding the effect of foreign exchange, revenue would have increased by $16.4 million, or 5.2%. Revenue growth was driven by strong customer demand for our magnetic resonance systems. Included in other revenue for the nine months ended September 30, 2007 and September 30, 2006 are license revenues and grant revenues from various research and development projects funded primarily by European government authorities amounting to $1.9 million and $1.7 million, respectively.

Cost of Revenue

Bruker BioSpin Group's cost of product revenue for the nine months ended September 30, 2007 increased $29.0 million, or 16.0%, to $210.0 million compared to $181.0 million for the same period in 2006. The cost of product revenue as a percentage of product revenues was 60.0% for the nine months ended September 30, 2007 compared to 58.1% for the same period in 2006. The increase in cost of product revenue as a percentage of product revenues is primarily due to a change in product mix.

Sales and Marketing

Bruker BioSpin Group's marketing and sales expense for the nine months ended September 30, 2007 increased $2.4 million, or 7.2%, to $35.9 million compared to $33.5 million for the same period in

2006. Marketing and sales expenses as a percentage of net revenues were 10.2% for the nine months ended September 30, 2007 and 10.7% for the same period in 2006. The decrease in sales and marketing expense as a percentage of product and service revenue is primarily attributable to increased revenue in the first nine months ended September 30, 2007 as compared to the first nine months ended September 30, 2006.

General and Administrative

Bruker BioSpin Group's general and administrative expenses for the nine months ended September 30, 2007 increased $2.1 million, or 12.5%, to $18.9 million compared to $16.8 million for the same period in 2006. General and administrative expenses as a percentage of net revenues were consistent at 5.4% for the nine months ended September 30, 2007 and 2006.

Research and Development

Bruker BioSpin Group's research and development expenses for the nine months ended September 30, 2007 decreased $0.7 million, or (1.8%) to $38.2 million compared to $38.9 million for the same period in 2006. As a percentage of net revenues, research and development expenses were 10.9% for the nine months ended September 30, 2007 compared to 12.4% for the same period in 2006. The decrease in research and development expenses as a percentage of product and service revenue is driven by increased revenues and a reduction in materials usage for research and development projects.

Interest and Other Income (Expense), Net

Interest and other income, net for the nine months ended September 30, 2007 was $5.4 million compared to $2.7 million for the same period in 2006. During the nine months ended September 30, 2007, the major components within interest and other income, net, were interest income of $7.6 million and gains on foreign currency transactions of $0.8 million, offset by miscellaneous expenses of $3.0 million. During the nine months ended September 30, 2006, the major components within interest and other income, net, were interest income of $3.7 million and gains on foreign currency transactions of $1.5 million, offset by miscellaneous expenses of $2.5 million.

Provision for Income Taxes

The income tax provision for the nine months ended September 30, 2007 was $10.7 million compared to an income tax provision of $15.5 million for the nine months ended September 30, 2006, representing effective tax rates of 19.7% and 33.7%, respectively. Our effective tax rate is calculated using our projected annual pre-tax income or loss, and is affected by the expected level of tax benefits, and changes in the mix of our pre-tax income and losses among jurisdictions with varying statutory tax rates.

On August 14, 2007, the German Business Tax Reform 2008 was signed by the Federal President and the legislative process was finalized on August 17, 2007 with the official publication of the law. This new legislation changes the German Federal Corporate Tax Rate from 25% to 15%. In addition, German Trade Tax is no longer deductible from the Corporate Income Tax. Bruker BioSpin Group has analyzed the impact of these changes on its deferred tax assets and liabilities as of the date of enactment. The deferred tax items that will reverse after December 31, 2007 have been adjusted to reflect the new tax rate which will become effective on January 1, 2008. As a result, Bruker BioSpin Group has recorded a net reduction to income tax expense of $5.8 million in the nine months ending September 30, 2007.

In July 2006, the Financial Accounting Standards Board issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement 109 ("*FIN 48*")*. Among other things, FIN 48 provides guidance to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing a minimum recognition threshold which income tax positions must achieve before being recognized in the financial statements. In addition, FIN 48 requires expanded annual disclosures, including a roll forward of the beginning and ending aggregate unrecognized tax benefits as well as specific detail related to tax uncertainties for which it is reasonably possible the amount of unrecognized tax benefit will significantly increase or decrease within twelve months. Bruker BioSpin Group adopted FIN 48 on January 1, 2007, and recorded a reduction of retained earnings of $1.2 million effective January 1, 2007. Bruker BioSpin Group has unrecognized tax benefits of approximately $6.8 million as of January 1, 2007, which, if recognized, would result in a reduction of the Bruker BioSpin Group's effective tax rate. As of January 1, 2007, Bruker BioSpin Group does not expect any material changes to unrecognized tax positions within the next twelve months.

Bruker BioSpin Group recognizes penalties and interest related to unrecognized tax benefits in the provision for income taxes. As of September 30, 2007, we had approximately $1.2 million of accrued interest and penalties related to uncertain tax positions included in the liability on the consolidated balance sheet, of which approximately $0.3 million was recorded during the nine months ended September 30, 2007.

The tax years 2003 to 2006 are open tax years for most of our major taxing jurisdictions. Bruker BioSpin Group files returns in many foreign and state jurisdictions with varying statutes of limitations.

Twelve Months Ended December 31, 2006 Compared to Twelve Months Ended December 31, 2005

Revenues

Bruker BioSpin Group's revenues increased $1.8 million, or 0.4%, to $447.0 million for the year ended December 31, 2006 compared to $445.2 million for the year ended December 31, 2005. The effect of foreign exchange was minimal. Included in other revenue for the years ended December 31, 2006 and December 31, 2005 are license revenues and grant revenues from various research and development projects funded primarily by European government authorities amounting to $3.2 million and $4.8 million, respectively. Also included in other revenue for the year ended December 31, 2005 was income generated from a customer cancellation of a system order in the amount of $1.6 million.

Cost of Product Revenue

Bruker BioSpin Group's cost of product revenue for the year ended December 31, 2006 decreased $6.7 million, or (2.6%), to $246.3 million compared to $253.0 million for the same period in 2005. The cost of product revenue as a percentage of product revenues was 55.5% for the year ended December 31, 2006 compared to 57.7% for the same period in 2005. The decrease in cost of product revenues as a percentage of product revenues was primarily attributed to cost reductions in our superconducting wire business, and other restructuring program initiatives taken in 2005.

Marketing and Sales

Bruker BioSpin Group's marketing and sales expense for the year ended December 31, 2006 increased $3.7 million, or 8.2%, to $48.9 million compared to $45.2 million for the same period in 2005. Marketing and sales expenses as a percentage of net revenues were 10.9% for the year ended December 31, 2006 and 10.2% for the same period in 2005. The increase in sales and marketing expense as a percentage of product and service revenue is primarily attributed to an increase in commissions.

Research and Development.

Bruker BioSpin Group's research and development expenses for the year ended December 31, 2006 decreased $1.5 million, or (2.7%) to $53.7 million compared to $55.2 million for the same period in 2005. As a percentage of net revenues, research and development expenses were 12.0% for the year ended December 31, 2006 compared to 12.4% for the same period in 2005. The primary decrease in research and development expenses can be attributed to employee reductions in some of our manufacturing facilities.

General and Administrative

Bruker BioSpin Group's general and administrative expenses for the year ended December 31, 2006 decreased $2.5 million, or (10.5%), to $21.3 million compared to $23.8 million for the same period in 2005. General and administrative expenses as a percentage of net revenues were 4.8% for the year ended December 31, 2006 and 5.3% for the same period in 2005. The primary reason for the decrease in general and administrative expenses can be attributed to the cost reduction programs put in place in 2005 in an effort to reduce costs and improve productivity.

Special Credit

During 2005, a settlement agreement was signed for our various magnet patent litigation cases, which released Bruker BioSpin Group from any losses. As a result, this liability was reversed in the amount of $25.8 million during 2005.

Interest and Other Income, Net

Interest and other income, net for the year ended December 31, 2006 was $1.0 million compared to $8.0 million for the same period in 2005. During the year ended December 31, 2006, the major components within interest and other income, net, were interest income of $5.5 million and miscellaneous income of $0.2 million, offset by losses on foreign currency transactions of $4.7 million. During the year ended December 31, 2005, the major components within interest and other income, net, were interest income of $2.4 million, gains on foreign currency transactions of $4.8 million, and miscellaneous income of $0.8 million.

Provision for Income Taxes

The income tax provision for the year ended December 31, 2006 was $21.1 million compared to an income tax provision of $26.6 million for the year ended December 31, 2005, representing effective tax rates of 27.2% and 26.1%, respectively. The increase in our effective tax rate is primarily due to a change in the mix of our pre-tax income and losses among jurisdictions with varying statutory tax rates.

Twelve Months Ended December 31, 2005 Compared to Twelve Months Ended December 31, 2004

Revenues

Bruker BioSpin Group's revenues were $445.2 million for the year ended December 31, 2005 compared to $487.3 million for the year ended December 31, 2004. The decline from prior year results is $42.1 million or (8.6%). The effect of foreign exchange was minimal. The decrease in product revenues can primarily be attributed to the weakened global demand for magnetic resonance systems. Included in other revenue for the years ended December 31, 2005 and December 31, 2004 are license revenues and grant revenues from various research and development projects funded primarily by European government authorities amounting to $4.8 million and $2.9 million, respectively. Also included in other revenue for the year ended December 31, 2005 was income generated from a customer cancellation of a system order in the amount of $1.6 million.

Cost of Product Revenues

Bruker BioSpin Group's cost of product revenue for the year ended December 31, 2005 decreased $35.2 million, or (12.2%), to $253.0 million compared to $288.2 million for the same period in 2004. The cost of product revenue as a percentage of product revenues was 57.7% for the year ended December 31, 2005 compared to 59.5% for the same period in 2004. The decrease in overall cost of product revenue as a percentage of product revenues is primarily attributed to a change in product mix and a reduction in our write-down of demonstration inventory to net realizable value. The write-down of demonstration inventory to net realizable value was $12.3 million in 2005 compared to $14.4 million in 2004.

Marketing and Sales

Bruker BioSpin Group's marketing and sales expense for the year ended December 31, 2005 decreased $3.1 million, or (6.4%), to $45.2 million compared to $48.3 million for the same period in 2004. Marketing and sales expenses as a percentage of net revenues were 10.2% for the year ended December 31, 2005 and 9.9% for the same period in 2004. The decrease in our sales and marketing expenses is attributed to the lower variable costs incurred due to lower sales volume generated in 2005 compared to 2004.

Research and Development

Bruker BioSpin Group's research and development expenses for the year ended December 31, 2005 increased $1.3 million, or 2.4% to $55.2 million compared to $53.9 million for the same period in 2004. As a percentage of net revenues, research and development expenses were 12.4% for the year ended December 31, 2005 compared to 11.1% for the same period in 2004. The increase in research and development expenses can be attributed to additional research and development spending in our Switzerland operations compared to prior year.

General and Administrative

Bruker BioSpin Group's general and administrative expenses for the year ended December 31, 2005 decreased $2.6 million, or (9.8%), to $23.8 million compared to $26.4 million for the same period in 2004. General and administrative expenses as a percentage of net revenues were 5.3% for the twelve months ended December 31, 2005 and 5.4% for the same period in 2004.

Other Special Charges (Credit)

During 2004, Bruker BioSpin Group recorded a charge of $28.5 million to cover costs associated with potential assessments and related legal fees associated with a patent lawsuit, to the extent such amounts were deemed probable and estimable. During 2005, a settlement agreement was signed for our various magnet patent litigation cases, which released Bruker BioSpin Group from any losses. As a result, this liability was reversed in 2005 in the amount of $25.8 million.

Interest and Other Income (Expense), Net

Interest and other income (expense), net for the year ended December 31, 2005 was $8.0 million compared to ($6.8) million for the same period in 2004. During the year ended December 31, 2005, the major components within interest and other income, net, were interest income of $2.4 million, gains on foreign currency transactions of $4.8 million, and miscellaneous income of $0.8 million. During the year ended December 31, 2004, the major components within interest and other expense, net, were losses on foreign currency transactions of $7.8 million, offset by interest income of $0.2 million, and other miscellaneous income of $0.8 million.

Provision for Income Taxes

The income tax provision for the year ended December 31, 2005 was $26.6 million compared to $11.7 million for the year ended December 31, 2004. The effective tax rate was 26.1% for the year ended December 31, 2005 compared to 33.2% for 2004. Our effective tax rate decreased due to changes in the mix of our pre-tax income and losses among jurisdictions with varying statutory tax rates.

LIQUIDITY AND CAPITAL RESOURCES

As of September 31, 2007 and December 31, 2006, Bruker BioSpin Group had cash and cash equivalents of $268.8 million and $259.1 million, respectively. Bruker BioSpin Group currently anticipates that its existing cash and short-term investments will be sufficient to support Bruker BioSpin Group's operating and investing needs for at least the next twelve months, but this depends on our profitability and our ability to manage working capital requirements. Historically, Bruker BioSpin Group has financed its growth through a combination of cash provided from operations and debt financing.

During the year ended December 31, 2006, net cash provided by operating activities was $45.1 million compared to $98.7 million during the year ended December 31, 2005. The decrease in cash provided by operating activities was primarily attributable to a decrease in customer deposits and a decrease in our income taxes payable. During the nine months ended September 30, 2007, net cash provided by operating activities was $43.0 million compared to $8.2 million during the nine months ended September 30, 2006. The increase in cash provided by operating activities was primarily attributable to improved earnings, an increase in our customer deposits, an increase in income taxes payable, and an increase in accrued expenses.

During the year ended December 31, 2006, net cash used in investing activities was $17.0 million compared to $7.8 million during the year ended December 31, 2005. Cash used in investing activities during the year ended December 31, 2006 consisted primarily of $13.4 million of capital expenditures for machinery and equipment used in production. Additionally, Bruker BioSpin Group invested $3.5 million in short-term investments and $1.6 million for the acquisition of various technology from ShapeMetal Innovations during the year ended December 31, 2006. Cash used in investing activities during the year ended December 31, 2005 consisted primarily of $14.6 million in capital expenditures for purchases of machinery and equipment used in production. This was offset with cash provided by investing activities of $2.3 million in property and equipment sales, $2.4 million in collection on notes receivable from affiliated companies, and $2.1 million in proceeds from short-term investments. During the nine months ended September 30, 2007, net cash used in investing activities was $4.0 million compared to $8.4 million during the nine months ended September 30, 2006. Cash used in investing activities for the nine months ended September 30, 2007 related primarily to capital investments amounting to $6.5 million offset by cash proceeds from short-term investments of $2.5 million. Cash used in investing activities for the nine months ended September 30, 2006 related primarily to capital investments amounting to $4.1 million and $3.7 million in purchases of short-term investments. Bruker BioSpin Group invests in capital equipment used in production facilities on a continuing basis in order to enhance the efficiency of our operations.

During the year ended December 31, 2006, financing activities used $40.3 million of cash compared to $48.6 million of cash during the year ended December 31, 2005. The use of cash consisted of dividend payments in the amount of $29.5 million and $33.6 million, and debt repayments of $10.8 million and $15.0 million in 2006 and 2005, respectively. During the nine months ended September 30, 2007, financing activities used $46.4 million of cash compared to $32.9 million during the nine months ended September 30, 2006. The increased use of cash during the nine months ended September 30, 2007 was related to an increase in dividend payments and an increase in debt repayments.

As of September 30, 2007, Bruker BioSpin Group had $5.8 million in term loans outstanding compared to $9.5 million at December 31, 2006. The interest rate on the term loans ranged from 3.94% to 4.1% at both September 30, 2007 and December 31, 2006.

The following table summarizes future principal payments on borrowings under long-term debt outstanding as of December 31, 2006 (in thousands):

Contractual Obligations (in thousands)	**Total**	**Less than 1 Year**	**1-3 Years**	**4-5 Years**	**More than 5 years**
Short-term borrowings	$	$	$	$	$
Operating lease obligations	$ 6,766	$ 1,865	$ 2,039	$ 1,349	$ 1,513
Long-term debt	$ 9,465	$ 5,333	$ 4,132	$	$
Total contractual cash obligations	$	$	$	$	$

At this time, the Bruker BioSpin Group can not make a reliable estimate as to the timing of the cash settlements associated with the unrecognized tax benefits in accordance with FIN 48. The total unrecognized tax benefits are $6.8 million as of September 30, 2007.

Bruker BioSpin Group leases a building under an agreement that is classified as a capital lease. The cost of the building under capital lease is included in the combined balance sheets as property, plant and equipment and was $4,880 and $4,382 at December 31, 2006 and December 31, 2005, respectively. Accumulated amortization of the leased building at December 31, 2006 and December 31, 2005 was approximately $877 and $613, respectively. Amortization of assets under capital lease is included in depreciation expense. The future minimum lease payments required under the capital lease as of December 31, 2006 are as follows:

2007	$ 741
2008	737
2009	736
2010	464
2011	272
Thereafter	686
Total minimum lease payments	3,636
Less: Amount representing interest	299
Present value of net minimum lease payments	3,337
Less: Current maturities of capital lease obligations	665
Long-term capital lease obligations	$ 2,672

TRANSACTIONS WITH RELATED PARTIES

Bruker BioSciences Corporation, SciTec GmbH and SciTec GmbH & Co. KG are related parties through common ownership with Bruker BioSpin Group. Bruker BioSpin Group and its affiliates have entered into a sharing agreement which provides for the sharing of specified intellectual property rights, services, facilities, and other related items.

Bruker BioSpin Group recognized sales to affiliated entities of approximately $21.1 million, $17.1 million and $13.3 million during the years ended December 31, 2006, 2005 and 2004, respectively, and made purchases from affiliated entities of approximately $11.3 million, $13.0 million and $17.1 million during the years ended December 31, 2006, 2005 and 2004, respectively.

During the years ended December 31, 2006, 2005 and 2004, Bruker BioSpin Group received net payments of $1.1 million, $2.6 million and $3.4 million, respectively, from various affiliated companies for administrative and other services (including office space) provided to those entities in accordance with the terms of shared services agreements entered into under the sharing agreement. The amounts paid for services are based on management's best estimates of the fair value of such services, and were recorded as a reduction of general and administrative expense in the combined financial statements.

Bruker BioSpin Group rents office space from principal shareholders under multiple leases, which have expiration dates ranging from March 31, 2010 to December 31, 2015. Total rent expense under these leases was $1.1 million, for the years ended 2006, 2005 and 2004, respectively. Bruker BioSpin subleased a portion of office space from an affiliate during 2006, 2005 and 2004. Bruker BioSpin Group paid $32,000, $29,000 and $120,000, respectively, in rental expense, which included charges for utilities and other occupancy cost.

As of December 31, 2006 and 2005, Bruker BioSpin Group had outstanding notes receivable totaling approximately $0.2 million and $-0-, respectively, from other affiliated entities.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Bruker BioSpin Group is potentially exposed to market risk associated with changes in foreign exchange and interest rates for which it selectively used financial instruments to reduce related market risks. An instrument is treated as a hedge if it is effective in offsetting the impact of volatility in our underlying exposure. Bruker BioSpin Group has also entered into instruments which are not effective derivatives under the requirements of SFAS No. 133, and therefore such instruments are not designated as hedges. All transactions are authorized and executed pursuant to its policies and procedures. Analytical techniques used to manage and monitor foreign exchange and interest rate risk include market valuations and sensitivity analysis.

Impact of Foreign Currencies

Bruker BioSpin Group sells products in many countries, and a substantial portion of revenue and expenses are denominated in foreign currencies, principally in the Euro and Swiss Franc. Fluctuations in the rate of exchange between the U.S. dollar and foreign currencies could adversely affect its financial results. Costs related to these sales are largely denominated in the same respective currencies, thereby limiting its transaction risk exposure. However, for sales not denominated in U.S. dollars, if there is an increase in the rate at which a foreign currency is exchanged for U.S. dollars, it will require more of the foreign currency to equal a specified amount of U.S. dollars than before the rate increase. In such cases, if Bruker BioSpin prices its products in the foreign currency, it will receive less in U.S. dollars than it did before the rate increase went into effect. If Bruker BioSpin prices its products in U.S. dollars and competitors price their products in local currency, an increase in the relative strength of the U.S. dollar could result in its prices not being competitive in a market where business is transacted in the local currency.

Bruker BioSpin Group may from time to time enter into forward currency exchange contracts. Specifically, as of December 31, 2005 and December 31, 2004, it had contracts with notional amounts aggregating $71.5 million and $10.0 million, respectively. These contracts do not qualify for hedge accounting under SFAS No. 133. Accordingly, the instruments are marked-to-market with the corresponding gains and losses recorded in other expense in the current period. The realized and unrealized gains and (losses) under these contracts for the years ended December 31, 2005 and 2004, were $(7.2) million and $0.7 million, respectively. No such contracts existed as of December 31, 2006 and September 30, 2007.

Bruker BioSpin Group has entered into foreign-denominated debt obligations for debt related to its European production facilities. The currency effects of the debt obligations are reflected in interest and other income (expense), net, on the consolidated statement of operations.

Impact of Interest Rates

Bruker BioSpin Group's exposure related to adverse movements in interest rates is derived primarily from outstanding floating rate debt instruments that are indexed to short-term market rates and cash equivalents. Its objective in managing its exposure to interest rates is to decrease the volatility that changes in interest rates might have on its earnings and cash flows. To achieve this objective, Bruker BioSpin Group uses a fixed rate agreement to adjust a portion of its debt that is subject to variable interest rates.

A 10% increase or decrease in the average cost of Bruker BioSpin Group's variable rate debt would not result in a material change in pre-tax interest expense.

Inflation

Bruker BioSpin Group does not believe inflation had a material impact on its business or operating results during any of the periods presented.

Principal Stockholders and Holdings of Management

The following table sets forth certain information regarding beneficial ownership of the common equity of the Bruker BioSpin Group as of [December 5, 2007]. The Bruker BioSpin Group Shareholders hold, directly or indirectly, 100% of the outstanding capital of the Bruker BioSpin Group companies. The table below reflects the amount and percentage ownership of the Bruker BioSpin Group Shareholders in Bruker BioSpin Inc., Bruker Physik and BioSpin Invest. Other than members of the Bruker BioSpin Group Shareholders, no executive officer or director owns shares of the Bruker BioSpin Group.

	Bruker BioSpin Inc.		**Bruker Physik GmbH**		**Bruker BioSpin Invest AG**	
Beneficial Owners	**Amount and Nature of Beneficial Ownership(1)(2)**	**Percent of Class**	**Amount and Nature of Beneficial Ownership(1)(3)**	**Percent of Class**	**Amount and Nature of Beneficial Ownership(1)(4)**	**Percent of Class**
Frank H. Laukien(5) c/o Bruker BioSciences 40 Manning Road Billerica, MA 01821	1,664,343	18.76%	425,000	5.00%	3,000,000	18.75%
Joerg C. Laukien Markgrafenstrasse 34 76530 Baden-Baden Germany	1,664,343	18.76%	425,000	5.00%	3,000,000	18.75%
Marc M. Laukien 809 Harbour Isles Court N. Palm Beach, Florida 33410	1,664,343	18.76%	425,000	5.00%	3,000,000	18.75%
Dirk D. Laukien 42 Pleasant Ridge Drive The Woodlands, TX 77382	1,664,343	18.76%	425,000	5.00%	3,000,000	18.75%
Isolde Laukien-Kleiner Lichtentalerallee 68 D76530 Baden-Baden Germany	2,212,458	24.94%	467,500	5.50%	4,000,000	25.00%
Techneon AG(6) c/o Bruker BioSpin AG, 7 Industriestrasse 26, CH-8117 Fällanden, Switzerland			1,105,000	13.00%		
SciTec GmbH & Co. KG(6) Silberstreifen 4, 76287 Rheinstetten, Germany			5,227,500	61.50%		

(1)
Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common share subject to options held by that person that are currently exercisable, or become exercisable within 60 days from the date hereof,

are deemed outstanding. However, such shares are not deemed outstanding for purposes of computing the percentage ownership of any other person.

(2)
Represents shares of common stock of Bruker BioSpin Inc.

(3)
Represents share ownership of Bruker Physik GmbH.

(4)
Represents share capital of Bruker BioSpin Invest AG.

(5)
Includes 116,504 shares of Bruker BioSpin Inc., 112,900 shares of Bruker Physik GmbH, and 210,000 shares of Bruker BioSpin Invest AG owned by Robyn Laukien as to which Frank H. Laukien has voting power.

(6)
The capital shares of Techneon AG are owned by SciTec GmbH & Co. KG., whose limited partnership interests are 100% beneficially owned by members of the Laukien family in the following percentages: Frank Laukien (18.75%), Joerg Laukien (18.75%), Marc Laukien (18.75%), Dirk Laukien (18.75%) and Isolde Laukien-Kleiner (25%).

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Review, Approval or Ratification of Transactions with Related Persons

All transactions with related parties in excess of $50,000 are reviewed and pre-approved in accordance with our Audit Committee Charter and written procedures. Our Audit Committee, which is ultimately responsible for approving related party transactions, pre-approves such transactions involving amounts exceeding $500,000. The Audit Committee has delegated authority to the Chief Financial Officer and Corporate Controller to review and pre-approve all related party transactions, including distribution, shared administrative services and sales and purchasing activities, involving amounts from $50,000 to $500,000. A related party transaction will be approved only if it is determined upon review that the transaction is in the best interests of our company, and at fair market value and at arm's length conditions. If the transaction involves a director, that director will be recused from all discussions and decisions about the transaction. In considering the transaction, the executive officer or the committee, as appropriate, will consider all relevant factors, including as applicable:

- the business purpose for the transaction;
- quantifying the amount and volume of transactions to assess materiality;
- methods used to establish the terms of the transaction and whether the transaction is on arm's-length terms comparable to those available to third parties; and
- the overall fairness of the transaction to the company.

Typically every quarter, management reviews with the Audit Committee all related party transactions, including those the committee was not required to pre-approve. This review consists of a memorandum summarizing the information described above with respect to all related party transactions entered into in the preceding quarter, and is followed up on during one of the telephonic or in-person meeting between the Audit Committee and management.

Affiliation and Stockholders

Bruker BioSciences and the companies of the Bruker BioSpin Group are affiliated through common control at the stockholder level. Our five largest stockholders, Frank H. Laukien, Dirk D. Laukien, Isolde Laukien-Kleiner, Joerg C. Laukien and Marc M. Laukien, together with Robyn L. Laukien, are also the controlling shareholders of the Bruker BioSpin Group and beneficially own directly or indirectly 100% of the shares of the companies of the Bruker BioSpin Group. Isolde Laukien-Kleiner is the mother of Dirk and Marc Laukien. Joerg, Frank, Dirk and Marc are brothers or half-brothers.

Frank H. Laukien, Ph.D., the Chairman, President and Chief Executive Officer of Bruker BioSciences, also is a director and President of Bruker BioSpin Inc. and co-CEO of the Bruker BioSpin Group. Additionally, Dr. Frank Laukien beneficially owns directly or indirectly more than 10% of the stock of each of the Bruker BioSpin Group companies. Under two lease agreements, Bruker BioSpin Corporation rents laboratory, manufacturing and office space from trusts controlled by certain Laukien family members, including Frank Laukien. During each of the years ended December 31, 2007, 2006 and 2005, Frank Laukien was paid $191,600, as a beneficiary of the trusts. The lease terms were equal to the estimated fair market value of the rentals.

Joerg C. Laukien, a director of Bruker BioSciences, is the Chief Operating Officer of the Bruker BioSpin Group, a director and President of Bruker BioSpin MRI, Inc., Managing Director of Bruker BioSpin MRI GmbH, Managing Director of Bruker Elektronic GmbH, a director of Bruker Biospin Inc., a director of Bruker BioSpin SA, a director of Bruker BioSpin s.r.l., and a director of Techneon AG. Additionally, Joerg Laukien owns directly or indirectly more than 10% of the stock of each of the Bruker BioSpin Group companies. Mr. Joerg Laukien is a beneficiary of a trust controlled by Dr. Dirk Laukien and Dr. Frank Laukien which leases certain laboratory, manufacturing and office space to Bruker BioSpin Corporation. During each of the years ended December 31, 2007, 2006 and

2005, Joerg Laukien was paid $21,600 as a beneficiary of the trust. The lease terms were equal to the estimated fair market value of the rentals. With Dr. Dirk Laukien and Isolde Laukien-Kleiner, Joerg Laukien also is a party to a lease agreement with Bruker BioSpin AG, under which Bruker BioSpin AG rents certain office space. During each of the years ended December 31, 2007, 2006 and 2005, Joerg Laukien was paid $84,970, $81,363 and $81,877, respectively, under that agreement.

Dirk D. Laukien, Ph.D., Senior Vice President of Bruker BioSciences and President of Bruker Optics, is also co-CEO of the Bruker BioSpin Group and a director of Bruker BioSpin Inc. and Bruker BioSpin AG. Additionally, Dirk Laukien owns directly or indirectly more than 10% of the stock of each of the Bruker BioSpin Group companies. Our Bruker Optics subsidiary rents various office space from Dirk Laukien under lease agreements. Under these lease agreements, during each of the years ended December 31, 2007, 2006 and 2005, Dirk Laukien was paid $0.35 million, $0.35 million, and $0.30 million, respectively, which was equal to the estimated fair market value less the cost of capital improvements provided by Bruker Optics in 2004. Bruker Optics subleased a portion of this office space to an affiliate during 2007, 2006 and 2005 and received $31,500 in rental income in each of these years, which included charges for utilities and other occupancy costs. This rental income is recorded as a reduction of rent, utilities, and building maintenance expenses. Under two lease agreements, Bruker BioSpin Corporation rents laboratory, manufacturing and office space from trusts controlled by certain Laukien family members, including Dirk Laukien. Under the first of the lease agreements, during the years ended December 31, 2007, 2006 and 2005, Dirk Laukien was paid $137,500, $137,500 and $131,250, respectively, which was equal to the estimated fair market value of the rentals. A trust controlled by Dirk Laukien and Frank Laukien has also entered into a lease agreement with Bruker BioSpin Corporation. As a beneficiary of the trust, during each of the years ended December 31, 2007, 2006 and 2005, Dirk Laukien was paid $32,400. The lease terms were equal to the estimated fair market value of the rentals. Bruker BioSpin Corporation also rents office space from a trust controlled by Dr. Dirk Laukien. During each of the years ended December 31, 2007, 2006 and 2005, Dirk Laukien was paid $170,000 as a beneficiary of the trust. The lease terms were equal to the estimated fair market value of the rentals. Dirk Laukien, Isolde Laukien-Kleiner and Joerg C. Laukien also are parties to a lease agreement with Bruker BioSpin AG under which Bruker BioSpin AG rents certain office space. During each of the years ended December 31, 2007, 2006 and 2005, Dirk Laukien was paid $84,970, $81,363 and $81,877, respectively, under that agreement.

Marc M. Laukien owns directly or indirectly more than 10% of the stock of each of the Bruker BioSpin Group companies. Marc Laukien is a beneficiary of certain trusts controlled by Laukien family members that have entered into lease agreements with Bruker BioSpin Corporation. During each of the years ended December 31, 2007, 2006 and 2005, Marc Laukien was paid $202,400 as a beneficiary of the trusts. The lease terms were equal to the fair market value of the rentals. If the acquisition of the Bruker BioSpin Group is approved by stockholders, and giving effect to the cash-stock exchange agreements among certain Bruker BioSpin Group Shareholders, Marc Laukien will receive aggregate consideration of approximately $90.0 million in cash and 8,913,170 shares of Bruker BioSciences unregistered stock, which has a market value of approximately $[109.0] million as of [December 5, 2007], in exchange for his interest in the Bruker BioSpin Group companies.

Isolde Laukien-Kleiner owns directly or indirectly more than 10% of the stock of each of the Bruker BioSpin Group companies. Isolde Laukien-Kleiner was formerly the CEO of Bruker Physik GmbH and also served later as a consultant to Bruker Physik GmbH. Isolde Laukien-Kleiner terminated her consulting relationship with the Bruker BioSpin Group affiliate prior to the announcement of the combination. Under an agreement with Bruker Physik AG, Isolde Laukien-Kleiner will continue to receive certain benefits for a period of three years following her resignation. In December 2007, Isolde Laukien-Kleiner exercised her right under her retirement agreement to sell certain artwork loaned to various Bruker BioSpin Group companies to Bruker Physik for €50,000. Isolde Laukien-Kleiner is entitled to monthly pension payments of approximately €13,000, or €156,000 annually, subject to annual periodic adjustments. If the acquisition of the Bruker BioSpin Group is approved by stockholders, and giving effect to the cash-stock exchange agreements among certain Bruker BioSpin Group Shareholders, Isolde Laukien-Kleiner will receive aggregate consideration of approximately $136.8 million in cash and 9,976,689 shares of Bruker BioSciences unregistered stock, which has a market value of approximately $[122.0] million as of [December 5, 2007], in exchange for her interest in the Bruker BioSpin Group companies. Dirk Laukien, Isolde Laukien-Kleiner and Joerg C. Laukien also entered into a lease agreement with Bruker BioSpin AG under which Bruker BioSpin AG rents certain office space. During the years ended December 31, 2007, 2006, and 2005, Isolde Laukien-Kleiner was paid $169,941, $162,726 and $163,754, respectively, under that agreement.

Richard M. Stein, a director of Bruker BioSciences, is a partner of Nixon Peabody LLP, a law firm which has been retained by Bruker BioSciences and Bruker BioSpin Inc. for over five years. Mr. Stein has also served as the secretary for each of Bruker BioSciences, Bruker BioSpin Corporation, Bruker AXS, Bruker Daltonics, Bruker Optics, and Bruker BioSpin Inc.

Bernhard Wangler, a director of Bruker BioSciences, is the principal of Kanzlei Wangler, a German audit and tax advisory firm which has been retained by Bruker BioSciences and the Bruker BioSpin Group for over five years.

William Linton, Collin D'Silva and Richard Kniss are members of the special committee of the board of directors of Bruker BioSciences representing the interests of the stockholders of Bruker BioSciences unaffiliated with the Laukien family in connection with the potential combination of the Bruker BioSpin Group with Bruker BioSciences. In accordance with the terms of the Compensation and Indemnification Agreement entered into on December 3, 2007 by the members of the special committee and Bruker BioSciences, the chair of the special committee, William A. Linton, is entitled to an $100,000 fee for his services, and each of the remaining members of the special committee is entitled to an $80,000 fee for their services. In addition, the members of the special committee are entitled to reimbursement of reasonable expenses incurred in connection with their service on the special committee.

Dr. Tony W. Keller, a nominee to serve on our board of directors, until recently was co-CEO of the Bruker BioSpin Group for more than five years, and is currently the Executive Chairman of the Bruker BioSpin Group and a director of Bruker BioSpin AG. Dr. Keller also served as a Managing Director of Bruker BioSpin GmbH until his retirement effective December 31, 2007. In addition, prior to the completion of the combination, Dr. Keller is expected to be elected as President of the Board of BioSpin Invest. Discussions regarding future compensation for his new responsibilities are ongoing.

Sharing Agreement

Bruker BioSciences entered into a sharing agreement, dated as of February 28, 2000, with each of currently existing Bruker BioSpin Group companies Bruker Physik, Techneon, BioSpin Invest, Bruker BioSpin SA, Bruker BioSpin GmbH, Bruker Electronik GmbH, Bruker BioSpin Corporation, Bruker BioSpin AG, and Bruker BioSpin MRI GmbH. The Sharing Agreement provides for the sharing of specified intellectual property rights, services, facilities and other related items among the parties to the agreement. The following description of the Sharing Agreement is a summary and is qualified in its entirety by the provisions of the Sharing Agreement. However, the Sharing Agreement will be terminated as of the closing of the combination, since all parties to the Sharing Agreement will be part of Bruker BioSciences after the closing. Amounts payable under the Sharing Agreement in fiscal 2007 have not yet been determined. As a result, we have presented the 2006 amounts, the most recent period for which these figures are available.

Name

Pursuant to the terms of the Sharing Agreement, Bruker BioSpin GmbH and Bruker Physik have granted to the other parties to the Sharing Agreement a perpetual, irrevocable, non-exclusive, royalty-free, non-transferable right and license to use the name "Bruker" in connection with the conduct and operation of their respective businesses, provided that the parties do not materially interfere with any other party's use of the name, do not take any action which would materially detract from the goodwill associated with the name and do not take any action which would cause a lien to be placed on the name or the parties' license rights. This license automatically becomes null and void with respect to a party if that party files, or has filed against it, a petition in bankruptcy, fails to comply with the relevant terms of the Sharing Agreement or suffers a major loss of its reputation in its industry or the marketplace.

Intellectual Property

The parties to the Sharing Agreement also generally share technology and other intellectual property rights, as they existed on or prior to February 28, 2000, subject to the terms of the Sharing Agreement. In addition, under the Sharing Agreement each party has agreed to negotiate with any other party who wishes to obtain an agreement permitting such party to make a broader use of the first party's intellectual property that was in effect on or prior to February 28, 2000. However, no party has any obligation to enter into these agreements.

Distribution

In various countries in which we do not have our own distribution network, we share in the worldwide distribution network of the Bruker BioSpin Group. The Sharing Agreement provides for the use of common distribution channels by the parties to the agreement. The Sharing Agreement states that the terms and conditions of sale and the transfer pricing for any shared distribution will be on an arm's length basis as would be utilized in typical transaction with a person or entity not a party to the agreement. The Sharing Agreement also states that no common sales channel may have any exclusivity in any country or geographic area.

Services

Bruker BioSciences also shares various general and administrative expenses for items such as umbrella insurance policies, retirement plans, accounting services and leases, with various Bruker BioSpin Group companies. The Sharing Agreement provides that these services are charged among the affiliated companies at arm's length conditions and pricing, according to individual Sub-Sharing Agreements. In 2006, various Bruker BioSpin Group companies provided administrative and other services (including office space) to Bruker BioSciences at a cost of approximately $3.7 million.

Purchases and Sales

Bruker BioSciences purchases subunits or components, including some components used in its CBRN (chemical, biological, radiological and nuclear) detection products, miscellaneous electronics boards used in Fourier transform mass spectrometers, sheet metal cabinets and some of the superconducting magnets used for Fourier transform mass spectrometers, and a low-temperature attachment for certain x-ray systems, from various Bruker BioSpin Group companies, at arm's length commercial conditions and pricing. In 2006, Bruker BioSciences purchased components from these affiliates for $19.4 million.

Under the Sharing Agreement, the affiliated companies who supply certain of these subunits or components have agreed to continue to do so for at least seven years and to provide spare parts for at least 12 years from the date of the Sharing Agreement, at the terms and conditions and prices in effect on the date of the Sharing Agreement, which may be increased annually in an amount proportional to annual increases in the Consumer Price Index. The Sharing Agreement states that the terms and conditions of purchases of subunits and components shall be at reasonable arm's length terms and conditions and that pricing shall be competitive. In 2006, Bruker BioSciences purchases from Bruker BioSpin Group companies were approximately 4% of revenues.

Bruker BioSciences supplies system products and individual licenses to its HyStar software package to Bruker BioSpin Group companies at what Bruker BioSciences believes to be commercially reasonable arm's length conditions and pricing. As part of the Sharing Agreement, Bruker BioSciences guarantees a continued supply of the HyStar software package (or its successor) for at least seven years.

Bruker BioSciences may, from time to time, distribute the products of Bruker BioSpin Group companies as part of customer orders.

Bruker BioSciences supplies a variety of products to Bruker BioSpin Group companies for resale at what Bruker BioSciences believes to be commercially reasonable arm's length conditions and pricing. For the year ended December 31, 2006, Bruker BioSciences sold products to Bruker BioSpin Group companies in the amount of $10.8 million. However, these sales were primarily for resale of certain products by Bruker BioSpin Group entities as described above.

Additional Agreements, Collaborations and Sales

Bruker BioSciences recognized sales to the Bruker BioSpin Group of approximately $10.8 million in 2006, and purchases from the Bruker BioSpin Group of approximately $19.4 million in 2006.

Bruker BioSciences is a party to certain collaborations with various affiliates, including:

- Bruker BioSciences sells systems and after-market products through certain Bruker BioSpin Group distribution locations where Bruker BioSciences does not have its own subsidiares;
- Superconducting magnets, selected electronics and selected software used in Bruker BioSciences FTMS mass spectrometry equipment are purchased from the Bruker BioSpin Group;
- Cryogenic sample cooling and handling devices used in Bruker BioSciences single crystal diffractions are purchased from the Bruker BioSpin Group;
- Certain frames and enclosures used by Bruker BioSciences for mass spectrometry equipment are purchased from the Bruker BioSpin Group;
- Collaboration with a Bruker BioSpin Group company in connection with Bruker BioSciences' Proteomics RIMS research software environment;
- Collaboration with a Bruker BioSpin Group company in connection with Bruker BioSciences' NMR and mass spectrometry Metabolic Profiler system;
- Collaboration with a Bruker BioSpin Group company in connection with Bruker BioSpin Group's TD-NMR Analyzer, the "minispec," distributed by Bruker Optics; and
- Collaboration with a Bruker BioSpin Group company in connection with Bruker BioSpin Group's hyphenated equipment, including combined LC-NMR and LC-NMR-mass spectrometry instrumentation.

Acquisition of Bruker Optics

On July 1, 2006, we completed our acquisition of all of the outstanding stock of Bruker Optics for aggregate consideration of $135.0 million in cash and shares of Bruker BioSciences common stock. Prior to the acquisition, the five controlling shareholders of both Bruker BioSciences and the Bruker BioSpin Group of companies also controlled approximately 96% of the equity of Bruker Optics. Negotiations between Bruker BioSciences and the affiliated shareholders commenced in October 2005 and our board voted to recommend approval of the acquisition in April 2006, upon the recommendation of an independent special committee established to consider and negotiate the proposed acquisition. Pursuant to the terms of the purchase agreement between Bruker BioSciences and the Bruker Optics shareholders, the purchase of

Bruker Optics from the affiliated shareholder group comprised of Frank Laukien, Dirk Laukien, Joerg Laukien, Marc Laukien and Isolde Laukien-Kleiner was approved by unaffiliated holders of a majority of shares of Bruker BioSciences common stock who voted on the transaction at our 2006 Annual Meeting of Stockholders. The acquisition of Bruker Optics was described in our Definitive Proxy Statement on Schedule 14A filed on May 25, 2006.

DESCRIPTION OF BRUKER BIOSCIENCES CAPITAL STOCK

All shares issued to the Bruker BioSpin Group Shareholders upon consummation of the transactions will have the same rights as our common stock currently outstanding.

Bruker BioSciences' authorized capital stock consists of 200,000,000 shares of common stock, par value $.01 per share, and 5,000,000 shares of preferred stock, par value $.01 per share. Holders of Bruker BioSciences common stock have no preemptive, subscription or redemption rights.

PROPOSAL NO. 4: APPROVAL OF THE CHARTER AMENDMENT TO INCREASE OUR AUTHORIZED SHARES.

The fourth proposal asks stockholders to approve an amendment to Bruker BioSciences' certificate of incorporation to increase the number of authorized shares that may be issued by our company. This amendment will only be adopted if the transactions discussed earlier in this proxy statement are consummated.

General. The board of directors of Bruker BioSciences has resolved to amend the certificate of incorporation of Bruker BioSciences to increase the total number of shares of common stock which Bruker BioSciences shall have authority to issue from 200,000,000 shares of common stock, par value $.01 per share, to 260,000,000 shares of common stock, par value $.01 per share, in the event the acquisitions are consummated. The board of directors of Bruker BioSciences has directed that the proposal be submitted for action at a special meeting of stockholders. The affirmative vote of at least a majority of shares of common stock entitled to vote at the Special Meeting is required to approve the this amendment. If the stockholders approve the amendment to the certificate of incorporation to increase the authorized capital stock of the company, the amendment will be effective upon the filing of the certificate of amendment of certificate of incorporation with the Secretary of State of the State of Delaware. The text of the proposed amendment is included in this proxy statements in **Annex C**.

Prior to Amendment. Pursuant to Bruker BioSciences' certificate of incorporation as amended by the certificate of merger filed with the Secretary of State of the State of Delaware on July 1, 2003, and as further amended on June 29, 2006, the authorized capital stock of Bruker BioSciences consists of (i) 200,000,000 shares of common stock, par value $0.01 per share, and (ii) 5,000,000 shares of preferred stock, par value $0.01 per share. As of [December 5, 2007], there were 105,545,527 shares of common stock issued and outstanding and no shares held in treasury. As of [December 5, 2007], there were no shares of preferred stock issued and outstanding.

After Amendment. If the stockholders approve this contingent amendment, following the filing of the certificate of amendment, the authorized capital stock of Bruker BioSciences will consist of (i) 260,000,000 shares of common stock, par value $0.01 per share, and (ii) 5,000,000 shares of preferred stock, par value $0.01 per share.

Increase in Number of Shares of Common Stock. If approved by the stockholders, this amendment will authorize Bruker BioSciences to issue an additional 60,000,000 shares of Bruker BioSciences' common stock at any time after the consummation of the proposed acquisitions. The board of directors is empowered under the certificate of incorporation to issue shares of authorized stock without further stockholder approval.

Rationale for the Proposed Amendment. As of December 5, 2007 there were 86,454,473 shares of Bruker BioSciences' common stock available for issuance and not otherwise reserved. If the acquisitions are consummated, 57,544,872 shares of Bruker BioSciences common stock will be issued to the Bruker BioSpin Group stockholders. This amendment to the Bruker BioSciences certificate of incorporation is not required in order to issue shares of Bruker BioSciences common stock in connection with the transactions. However, the board of directors believes that the number of authorized shares of common stock should be increased by 60,000,000 to provide sufficient shares for use for corporate purposes as may be deemed advisable by the board of directors, without further action or authorization by the stockholders. The corporate purposes might include attaining capital funds through the sale of stock, acquiring other corporations or properties, or declaring stock dividends in the nature of a stock split. There are no current plans, agreements, arrangements, or understandings to issue any of the shares of common stock which would be authorized by the amendment; however, the board of directors believes that the availability of shares would afford Bruker BioSciences flexibility in considering and implementing any of the corporate transactions enumerated above.

Possible Effects of the Amendment. If the stockholders approve the amendment, Bruker BioSciences will have additional authorized but unissued shares of common stock that may be issued without further action or authorization of the stockholders (except as required by law or the rules of NASDAQ or any other stock exchange on which Bruker BioSciences' securities may then be listed). The issuance of additional shares of common stock may have a dilutive effect on earnings per share. In addition, the issuance of additional shares of common stock could have a dilutive effect on the voting power of the current stockholders because they do not have preemptive rights.

Appraisal Rights in Respect of the Proposed Amendment. Bruker BioSciences' stockholders have no appraisal rights with respect to the proposed amendment.

Contingent Amendment. This amendment is to be effective only if the transactions involving the Bruker BioSpin Group described in this proxy statement are consummated. If the transactions are not consummated, then Bruker BioSciences will not amend its certificate of incorporation to increase the number of shares of common stock authorized for issuance.

RECOMMENDATION OF THE BRUKER BIOSCIENCES BOARD OF DIRECTORS

THE BOARD OF DIRECTORS OF BRUKER BIOSCIENCES RECOMMENDS A VOTE FOR THE AMENDMENT TO THE BRUKER BIOSCIENCES CERTIFICATE OF INCORPORATION TO INCREASE THE AUTHORIZED CAPITAL STOCK OF THE COMPANY IF THE ACQUISITIONS ARE CONSUMMATED.

PROPOSAL NO. 5: APPROVAL OF AN AMENDMENT TO THE STOCK OPTION PLAN TO INCREASE THE NUMBER OF AUTHORIZED SHARES.

The fifth proposal asks stockholders to approve an amendment to the Bruker BioSciences amended and restated stock option plan to increase the number of shares of common stock for which options may be granted.

In February 2000, the board of directors and stockholders of Bruker Daltonics approved and adopted Bruker Daltonics' 2000 Stock Option Plan, authorizing Bruker Daltonics to issue options to purchase a total of 2,220,000 shares of common stock. Upon the consummation of the merger of Bruker Daltonics and Bruker AXS in 2006, the Bruker Daltonics stock option plan became the Bruker BioSciences Amended and Restated 2000 Stock Option Plan. In connection with the merger of Bruker BioSciences and Bruker Optics, the board of directors and stockholders of Bruker BioSciences approved the increase of the Bruker BioSciences option pool by 1,680,000 shares such that a total of 8,000,000 shares were reserved for issuance pursuant to the stock option plan. As of December 31, 2006, options to purchase 4,299,625 shares of common stock and no shares of restricted common stock were outstanding under the stock option plan, leaving 3,700,375 shares available for grant.

Accordingly, the board of directors of Bruker BioSciences determined that it was in the best interest of Bruker BioSciences to amend its option plan to increase its option pool by 2,000,000 shares such that a total of 10,000,000 shares are reserved for issuance pursuant to the stock option plan. This total of 10,000,000 includes the 4,299,625 options to purchase shares of Bruker BioSciences common stock that were outstanding on December 31, 2006. The increase in the Bruker BioSciences option pool is not necessary for the consummation of the acquisition; but, whether or not the acquisition is consummated, the board of directors believes the increase is necessary to continue to provide long-term incentives to attract and retain employees. The affirmative vote of a majority of the shares of Bruker BioSciences common stock present or represented and entitled to vote at the Special Meeting will be required to approve this amendment to the stock option plan.

RECOMMENDATION OF THE BRUKER BIOSCIENCES BOARD OF DIRECTORS

THE BOARD OF DIRECTORS OF BRUKER BIOSCIENCES RECOMMENDS A VOTE "FOR" THE AMENDMENT TO THE AMENDED AND RESTATED OPTION PLAN TO INCREASE THE NUMBER SHARES OF COMMON STOCK FOR WHICH OPTIONS MAY BE GRANTED.

BRUKER BIOSCIENCES AMENDED AND RESTATED 2000 STOCK OPTION PLAN

The following description of certain features of the Bruker BioSciences stock option plan is intended to be a summary only. The summary is qualified in its entirety by the full text of the Bruker BioSciences stock option plan, which is attached as **Annex D** to this proxy statement and which incorporates the provisions of the proposed stock option plan amendments.

General. The Bruker BioSciences stock option plan provides for the granting of incentive stock options to Bruker BioSciences employees and non-qualified options, as defined in Section 422 of the Internal Revenue Code, to Bruker BioSciences employees, directors, advisors and consultants. The Bruker BioSciences stock option plan may be administered by the board of directors of Bruker BioSciences or by the Bruker BioSciences compensation committee. Either the board or the compensation committee has the authority to take the following actions:

(a) interpret and apply the stock option plan; and

(b) determine the eligibility of an individual to participate in the stock option plan.

Eligibility. Eligible participants under the stock option plan include officers, employees, consultants, advisors and directors of Bruker BioSciences. Incentive stock options may only be granted to employees of Bruker BioSciences or any subsidiary. In determining a person's eligibility to be granted an option, and the number of shares to be granted to any person, the compensation committee takes into account, in its sole discretion, the person's position and responsibilities, the nature and value to Bruker BioSciences or its subsidiaries of the person's service and accomplishments, the person's present and potential contribution to the success of Bruker BioSciences or its subsidiaries, and such other factors as the compensation committee deems relevant. No option designated as an incentive stock option may be granted to any employee who owns, immediately prior to the grant of the option, stock representing more than 10% of the total combined voting power of all classes of stock of Bruker BioSciences or a parent or a subsidiary, unless the purchase price of the stock under the option is at least 110% of its fair market value at the time the option is granted and the option, by its terms, is not exercisable more than five years from the date it is granted.

Terms and provisions of options. Stock options are granted under stock option agreements which contain the vesting schedules of the stock options. Non-qualified stock options are granted with an exercise price of at least 50% of fair market value of the common stock on the date of grant, and incentive stock options are granted with an exercise price of at least 100% of the stock's fair market value on the date of grant. Vested options may be exercised in full at one time or in part from time to time in amounts of 50 shares or more. The payment of the exercise price may be made as determined by the board or committee and set forth in the option agreement, by delivery of cash or check, by tendering shares of common stock (provided that payment by this means will not cause Bruker BioSciences to recognize for financial accounting purposes a charge to earnings) or by means of a broker-assisted cashless exercise. Bruker BioSciences may delay the issuance of shares covered by the exercise of an option until the shares for which the option has been exercised have been registered or qualified under the applicable federal or state securities laws or until Bruker BioSciences' counsel has opined that the shares are exempt from the registration requirements of applicable federal or state securities laws. The term of any option granted under the stock option plan is limited to either five or ten years, depending on the nature of the option holder. Unvested options generally terminate immediately upon the termination of an option holder's employment with Bruker BioSciences, but in no event will unvested options terminate more than 90 days after an option holder leaves Bruker BioSciences' employ. Options granted under the stock option plan are not transferable other than by will or the laws of descent and distribution. The compensation committee may grant up to 20% of the shares reserved for option grants as restricted stock rather than as stock options.

Recapitalization; reorganization; change of control. The stock option plan provides that proportionate adjustments shall be made to the number of authorized shares which may be granted under the stock option plan and as to which outstanding options, or portions of outstanding options, then unexercised shall be exercisable as a result of increases or decreases in Bruker BioSciences' outstanding shares of common stock due to reorganization, merger, consolidation, recapitalization, stock split-up, combination of shares, or dividends payable in capital stock, such that the proportionate interest of the option holder shall be maintained as before the occurrence of such event. Upon the sale or conveyance to another entity of all or substantially all of the property and assets of Bruker BioSciences, including by way of a merger or consolidation or a change in control of the company, as defined in the stock option plan, the board of directors of Bruker BioSciences shall have the power and the right to accelerate the exercisability of any options. Additionally, the compensation committee may, in its discretion, accelerate the exercisability of any option subject to such terms and conditions as the compensation committee deems necessary and appropriate.

Termination or amendment. Unless sooner terminated by the board of directors, the stock option plan will terminate on February 11, 2010, ten years from the date on which the stock option plan was adopted by the Bruker BioSciences board of directors. The board of directors may, at any time, terminate the stock option plan. All options granted under the stock option plan shall terminate upon the dissolution or liquidation of Bruker BioSciences; provided, however, that each option holder (if at such time in the employ of or otherwise associated with Bruker BioSciences or any of its subsidiaries) shall have the right, immediately prior to the dissolution or liquidation, to exercise his or her option to the extent then exercisable. The board of directors of Bruker BioSciences may modify or amend the option at any time but may not, however, without the approval of the stockholders increase the maximum number of shares for which options may be granted, change the designation of the class of persons eligible to receive options under the stock option plan or make any other changes to the stock option plan which require stockholder approval under applicable law or regulation.

Tax effects of stock option plan participation. Options granted under the stock option plan are intended to be either incentive stock options, or an ISO, as defined in section 422 of the Code, or non-qualified stock options. The following discussion applies to options that are granted with an exercise price of at least 100% of the stock's fair market value on the date of grant, so that special tax rules under Internal Revenue Code Section 409A relating to nonqualified deferred compensation do not apply.

Incentive Stock Options. Except as provided below with respect to the alternative minimum tax, the option holder will not recognize taxable income upon the grant or exercise of an ISO. In addition, if the option holder holds the shares received pursuant to the exercise of the option for more than one year after the date of transfer of stock to the option holder upon exercise of the option and for more than two years after the option is granted, the option holder will recognize long-term capital gain or loss upon the disposition of the stock measured by the difference between the option exercise price and the amount received for such shares upon disposition. If the option holder disposes of the stock prior to the expiration of the required holding periods at a price equal to or in excess of the fair market value of the stock on the date of exercise, then the option holder will recognize ordinary income in the year of the sale equal to the difference between the fair market value of the stock at the date of exercise and the exercise price. In this event, the option holder will also recognize a capital gain (long-term or short-term, depending upon the holding period of the stock) equal to the difference between the sales price and the fair market value of the stock on the date of exercise. If the option holder disposes of the stock prior to the expiration of the required holding periods at a price that is less than the fair market value of the stock on the date of exercise (but greater than the exercise price), the option holder will recognize ordinary income in the year of the sale equal to the difference between the sales price and the exercise price. If the option holder disposes of the stock prior to the expiration of the required holding periods at a price below the exercise price, the option holder will incur a capital loss (long-term or short-term, depending upon the holding period of the stock).

In addition to regular tax consequences, an option holder may have alternative minimum tax consequences when he exercises an ISO. Generally speaking, individual taxpayers are required each year to pay the greater of their regular tax liability or their alternative minimum tax liability. For alternative minimum tax purposes, the excess of the fair market value of the underlying stock on the date of exercise over the exercise price of the option is included in alternative minimum taxable income for the year of exercise. The net amount of alternative minimum tax income (after taking into account any applicable exemptions) is multiplied by the applicable alternative minimum tax rate to determine alternative minimum tax liability income. If an option holder owes alternative minimum tax for the year of exercise of an ISO, the optionee may be entitled to a tax credit for all or part of the excess of the amount of the option holder's alternative minimum tax liability over his regular tax liability for that year. Any credit may be applied directly against the option holder's tax liability in later years in which the option holder's regular tax liability exceeds the option holder's alternative minimum tax liability, but only to the extent of the excess. Any balance of the alternative minimum tax credit would carry forward and may be used in subsequent years subject to the limitations previously described. If the option holder engages in a disqualifying disposition of an ISO in the same calendar year as the exercise of the option, the option holder essentially avoids the effects of alternative minimum tax with respect to the option. Bruker BioSciences will not be allowed an income tax deduction upon the grant or exercise of an ISO. Upon a disqualifying disposition of shares by the option holder acquired by exercise of the ISO, Bruker BioSciences generally will be allowed a deduction in an amount equal to the ordinary income recognized by the option holder.

Non-Qualified Stock Options. As in the case of ISOs, generally no income is recognized by the option holder on the grant of a non-qualified stock option. On the exercise by an option holder of a non-qualified stock option, the excess of the fair market value of the stock when the option is exercised over the exercise price will be (a) taxable to the option holder as ordinary income, and (b) generally deductible for income tax purposes by Bruker BioSciences. The option holder's tax basis in his stock will equal his cost for the stock plus the amount of ordinary income he had to recognize with respect to the non-qualified stock option. Accordingly, upon a subsequent disposition of stock acquired upon the exercise of a non-qualified stock option, the option holder will recognize short-term or long-term capital gain or loss, depending upon the holding period of the stock, equal to the difference between the amount realized upon disposition of the stock by the option holder and his basis in the stock.

New Plan Benefits. It is not possible to state the persons who will receive options or awards under the stock option plan in the future, nor the amount of options or awards which will be granted thereunder.

The following table sets forth certain information with respect to Bruker BioSciences' equity compensation plans for the fiscal year ended December 31, 2006.

Securities Authorized for Issuance under Equity Compensation Plans

PLAN CATEGORY	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column(a)) (c)
Equity compensation plans approved by security holders	4,299,625	$ 6.11	3,700,375
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	4,299,625	$ 6.11	3,700,375

Contingent Amendment. This amendment is to be effective only if the transactions involving the Bruker BioSpin Group described in this proxy statement are consummated. If the transactions are not consummated, then Bruker BioSciences will not amend its amended and restated stock option plan to increase the number of shares of common stock for which options may be granted.

PROPOSAL NO. 6: APPROVAL OF THE CHARTER AMENDMENT TO CHANGE OUR NAME TO BRUKER CORPORATION

The sixth proposal is to approve the amendment of the Bruker BioSciences Certificate of Incorporation to change the name of the corporation to Bruker Corporation upon completion of the proposed transactions.

General. The board of directors of Bruker BioSciences has resolved to amend the certificate of incorporation of Bruker BioSciences to change the name of the corporation to Bruker Corporation in the event the transactions and the combination are consummated. The board of directors of Bruker BioSciences has directed that the proposal be submitted for action at the 2008 special meeting of stockholders. The affirmative vote of at least a majority of shares of common stock entitled to vote at the Special Meeting is required to approve the contingent amendment. If the stockholders approve the amendment to the certificate of incorporation to change the name of the company, the amendment will be effective upon the filing of the certificate of amendment of certificate of incorporation with the Secretary of State of the State of Delaware. The text of the proposed amendment is included in this proxy statement in **Annex C**.

Contingent Amendment. This amendment is to be effective only if the combination with the Bruker BioSpin Group described in this proxy statement is consummated. If the combination is not consummated, then Bruker BioSciences will not amend its certificate of incorporation to change its name.

RECOMMENDATION OF THE BRUKER BIOSCIENCES BOARD OF DIRECTORS

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR PROPOSAL NO. 6, TO CHANGE OUR NAME TO "BRUKER CORPORATION."

PROPOSAL NO. 7: THE ELECTION OF DIRECTORS

The seventh proposal on the agenda for the Special Meeting is the election of Dirk D. Laukien to serve as a Class II director and Tony Keller to serve as a Class III director, each for a term beginning at the Special Meeting and ending at our 2008 and 2009 Annual Meetings of Stockholders, respectively, or until a successor has been duly elected and qualified. Our amended and restated certificate of incorporation provides that the board of directors shall consist of three classes of directors with overlapping three-year terms. One class of directors is to be elected each year for a three-year term. Directors are assigned to each class in accordance with a resolution or resolutions adopted by the board of directors, each class consisting, as nearly as possible, of one-third the total number of directors. There are currently eleven members of the board of directors, consisting of four Class I directors, four Class II directors and three Class III directors.

In December 2007, the Board of Directors voted to expand the size of the board to thirteen, the number of Class II directors to five and the number of Class III directors to four. At the Special Meeting, one nominee will be elected as a Class II director for a term expiring at the 2008 Annual Meeting of Stockholders and one nominee will be elected to serve as a Class III director to serve for a term expiring at the 2009 Annual Meeting of Stockholders. The directors in Class I are serving terms expiring at our Annual Meeting of Stockholders in 2010.

Both Tony Keller and Dirk D. Laukien are new nominees. All nominees were approved by our board of directors, including a majority of our independent directors.

Unless marked otherwise, proxies received will be voted **FOR** the election of each of the two nominees specified below. If any such nominee for the office of director is unwilling or unable to serve as a nominee for the office of director at the time of the Special Meeting, the proxies may be voted either (1) for a substitute nominee who shall be designated by the present board of directors to fill such vacancy or (2) for the other nominees only, leaving a vacancy. Alternatively, the size of the board of directors may be reduced so that there is no vacancy. The board of directors has no reason to believe that any of the nominees will be unwilling or unable to serve if elected as a director.

Our directors as of January [ ], 2008 are as follows:

Name	Age	Position
Frank H. Laukien, Ph.D.	47	President, CEO, Chairman
Richard M. Stein	56	Secretary, Director
Daniel S. Dross	49	Director
Collin J. D'Silva	50	Director
Wolf-Dieter Emmerich, Ph.D.	67	Director
Brenda J. Furlong	59	Director
Richard D. Kniss	67	Director
Joerg C. Laukien	53	Director
William A. Linton	60	Director
Richard A. Packer	56	Director
Bernhard Wangler	56	Director

Set forth below is biographical information for each person nominated or continuing in office.

Nominee For Election For A Term Expiring At The 2008 Annual Meeting

Dirk D. Laukien, Ph.D. Dr. Dirk Laukien is a Senior Vice President of Bruker BioSciences and has served in this capacity since July 1, 2006. Dr. Dirk Laukien also serves as the President of Bruker Optics and served in this capacity for more than five years prior to July 1, 2006, the date we acquired our Bruker Optics subsidiary. Since 1989, Dr. Dirk Laukien has also served as co-President and a director of Bruker BioSpin Corporation and as a director of Bruker AG. Dr. Dirk Laukien is, pursuant to an informal arrangement, co-CEO of the Bruker BioSpin Group and will continue in that role after the proposed combination. Dr. Dirk Laukien received a B.A. in Physics from Brandeis University and a Ph.D. in Physics from Tufts University.

Nominee For Election For A Term Expiring At The 2009 Annual Meeting

Tony W. Keller, Ph.D. Dr. Tony Keller currently serves as chairman of the board of Bruker BioSpin AG, and is also a member of the board of directors of Bruker BioSpin Inc. Dr. Keller joined the Bruker BioSpin Group in 1964 with the establishment of Spectrospin AG by the late Dr. Günther Laukien, and has served the Bruker BioSpin Group in a variety of capacities throughout the years. In 1968, Dr. Keller was promoted to the position of operating director at Spectrospin AG. He then served concurrently as director of Spectrospin AG and as manager of the NMR division of Bruker Rheinstetten. Dr. Keller became director of Bruker Physik AG in 1973, and in 1978 he advanced to managing director of Bruker Analytik GmbH. In his 43 years with the Bruker BioSpin Group, Dr. Keller has made significant contributions to the research, technical development, and business aspects of the Bruker BioSpin Group. Dr. Keller holds honorary doctorates from the Technical University of Berlin and from the University of Queensland.

Contingent Proposal. The proposed election of directors is to be effective only if the combination with the Bruker BioSpin Group described in this proxy statement is consummated. If the combination is not consummated, then Bruker BioSciences will not implement the proposal to elect these two director nominees.

RECOMMENDATION OF THE BRUKER BIOSCIENCES BOARD OF DIRECTORS

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF THE TWO DIRECTOR NOMINEES LISTED ABOVE.

Directors Continuing In Office Until The 2008 Annual Meeting

Daniel S. Dross. Mr. Dross joined our board of directors in July 2003 in connection with the merger of Bruker Daltonics and Bruker AXS and joined the former Bruker AXS board of directors in January 2001. Mr. Dross has been a partner of Trinity Hunt Partners, a private equity firm, since June 2002. From May 1999 to May 2002, Mr. Dross was a partner of Thomas Weisel Partners Group LLC. Prior to joining Thomas Weisel Partners, Mr. Dross was a Principal at Hicks, Muse, Tate & Furst Incorporated, a Dallas based private equity firm, from 1991 to 1999. During 2005 and 2006 Mr. Dross served on the board of directors of THP Capstar Inc., a privately held company based in Austin, Texas that is controlled by Trinity Hunt Partners and does business as DMX Music, Inc. Mr. Dross currently serves as a director of National Default Exchange, LP, a partnership based in Addison, Texas. Mr. Dross received his B.A. from Dartmouth College and his M.B.A. from the Wharton School at the University of Pennsylvania.

Collin J. D'Silva. Mr. D'Silva joined our board of directors in February 2000. From 1997 to April 2006, Mr. D'Silva served as the Chief Executive Officer of Transgenomic, Inc., a life science company involved in SNP discovery, in Omaha, Nebraska. Until January 2007, Mr. D'Silva also served as the Chairman of the board of directors of Transgenomic. From 1988 to 1997, Mr. D'Silva was President and Chief Executive Officer of CETAC Technologies, Inc, a company designing instrumentation for elemental analysis. Mr. D'Silva holds a B.S. degree and a Masters in Industrial Engineering from Iowa State University as well as a M.B.A. from Creighton University.

Richard M. Stein. Mr. Stein joined Bruker BioSciences' board of directors in February 2000 and is our secretary. Mr. Stein has also served as the secretary for each of Bruker BioSciences, Bruker

BioSpin Corporation, Bruker AXS, Bruker Daltonics, Bruker Optics, and Bruker BioSpin Inc. Since January 1993, Mr. Stein has been a partner with Nixon Peabody LLP, a law firm, or a predecessor entity, Hutchins, Wheeler & Dittmar. Mr. Stein holds a B.A. degree from Brandeis University and a J.D. from Boston College Law School.

Bernhard Wangler. Mr. Wangler joined our board of directors in February 2000. Mr. Wangler has been a German tax consultant and principal partner with Kanzlei Wangler in Karlsruhe, Germany since July 1983. He has been a Certified Public Accountant in Germany since 1984. Mr. Wangler holds a Bachelor of Economics and Commerce degree and a M.B.A. from the University of Mannheim, Germany.

Directors Continuing In Office Until The 2009 Annual Meeting

Richard D. Kniss. Mr. Kniss joined our board of directors in July 2003 in connection with the merger of Bruker Daltonics and Bruker AXS and joined the former Bruker AXS board of directors in June 2001. Mr. Kniss was Senior Vice President and General Manager for Agilent Technologies, Chemical Analysis Group, a producer of gas and liquid chromatographs, mass spectrometers and spectrophotometers, from August 1999 until March 2001. Prior to the spin-off of Agilent from the Hewlett Packard Company, from 1995 to 1999, Mr. Kniss was Vice President and General Manager of the Chemical Analysis Group for Hewlett Packard. In March 2004, Mr. Kniss became chairman of the board of directors of AviaraDx, Inc. (formerly Arcturus Bioscience, Inc.), a life-science tools company. Mr. Kniss holds a B.S. from Brown University and an M.B.A. from Stanford University.

Joerg C. Laukien. Mr. Joerg Laukien joined our board of directors in January 2005. Mr. Joerg Laukien has been a director and President of Bruker BioSpin MRI, Inc. in Billerica, Massachusetts since 1997, President of Bruker BioSpin MRI GmbH in Ettlingen, Germany since 1998, President of Bruker Elektronik GmbH in Rheinstetten, Germany since 1991, a director of Bruker BioSpin Inc. in Billerica, Massachusetts since 2000, a director of Bruker BioSpin SA in Wissembourg, France since 1998, a director of Bruker BioSpin s.r.l. in Italy since 1992, and a director of Techneon AG in Zurich, Switzerland since 1999, each of which are affiliates of ours. Additionally, Mr. Joerg Laukien beneficially owns directly or indirectly more than 10% of the stock of several companies affiliated with us, as discussed below in "Certain Relationships and Related Transactions." Mr. Joerg Laukien is the brother of Dr. Frank Laukien, our Chairman, President and Chief Executive Officer. Mr. Joerg Laukien holds a B.A. from the Verwaltungs- und Wirtschafts-Akademie in Karlsruhe, Germany.

William A. Linton. Mr. Linton joined our board of directors in February 2000. Mr. Linton serves as the lead director of our board of directors. He was appointed lead director in March 2004 by the independent members of the board of directors. As lead director, Mr. Linton performs the usual responsibilities of a lead director including setting the agenda for board meetings and acting as a liaison between management and the board of directors. Mr. Linton has served as the Chairman and Chief Executive Officer of Promega Corporation, a DNA consumables company, in Madison, Wisconsin since 1978. From 2003 to 2006, Mr. Linton served as a director for High Throughput Genomics, a diagnostic product company in Tucson, Arizona. Mr. Linton received a B.S. degree from University of California, Berkeley in 1970. Mr. Linton has been a Director of the Wisconsin Technology Council since 2001 and served as a director of ALSSA (Analytical & Life Science Systems Association), an industry association, from 2004 to 2006.

Directors Continuing In Office Until The 2010 Annual Meeting

Wolf-Dieter Emmerich, Ph.D. Dr. Emmerich joined our Board in April 2007. Dr. Emmerich currently serves as a consultant to Erich Netzsch Holding, the parent company of Netzsch Instruments, a developer and manufacturer of high-precision instruments for Thermal Analysis and thermophysical properties measurement headquartered in Selb, Germany. Netzsch's products are employed in research and quality control in a range of industrial applications. Dr. Emmerich joined Netzsch Instruments Ltd. in 1970 and served the Netzsch Group in a variety of capacities until his retirement in 2005. Dr. Emmerich assumed worldwide responsibility for the Analyzing and Testing business unit in 1980 and was appointed to serve on the Executive Board of the Netzsch Group in 1995. Dr. Emmerich currently serves as Chairman of the Advisory Board of the ANALYTICA International Trade Fair, a leading European trade show for companies involved in the analysis, laboratory-technology and life-science sectors, and on the board of the Bayreuth University Society. Dr. Emmerich holds a Physicist degree and a Ph.D. in physics from the University of Erlangen-Nuremberg.

Brenda J. Furlong. Ms. Furlong joined our Board in April 2007. From July 2003 to August 2006, Ms. Furlong served as Managing Director and Head of Fixed Income of Columbia Management Group, the primary investment management division of Bank of America Corporation. Prior to joining Columbia Management, Ms. Furlong was with The Hartford Financial Services Group, where she served as Chief Investment Officer and was President of Hartford Investment Management Company from October 1999 to November 2001, and also served as Senior Vice President Capital Planning & Development from November 1996 to September 1999. From 1979 to December 1995, Ms. Furlong was with ITT Sheraton Corporation, where, from May 1988 to December 1995, she served as Vice President and Treasurer. Ms. Furlong has been a member of the Board of Trustees of the Perkins School for the Blind in Watertown, Massachusetts since 2002. Ms. Furlong holds an M.B.A. from Northeastern University, an M.A. in international studies from American University and a B.A. in political science and sociology from Whittier College.

Richard A. Packer. Mr. Packer joined our Board in April 2007. Since November 1999, Mr. Packer has been the Chairman and Chief Executive Officer of Zoll Medical Corporation, a publicly-traded manufacturer of resuscitation devices and related software solutions. From 1996 until his appointment to Chairman and Chief Executive Officer in 1999, Mr. Packer served as Zoll's President, Chief Operating Officer and Director. From 1992 to1996, he served as Zoll's Chief Financial Officer and Vice President of Operations. Prior to joining Zoll, Mr. Packer served for five years as Vice President of various functions for Whistler Corporation, a consumer electronics company. Before joining Whistler in 1987, Mr. Packer was a manager with the consulting firm of PRTM/KPMG, specializing in operations of high technology companies. Mr. Packer is the past Chairperson of MassMEDIC, the industry council for Medical Devices in Massachusetts. He currently serves on the Steering Committee for the Massachusetts Life Sciences Initiative, and is a board member of the Massachusetts Medical Device Development Center, a University of Massachusetts initiative to incubate medical device companies. Mr. Packer holds an M.B.A. from the Harvard Business School, as well as B.S. and M. Eng. degrees from Rensselaer Polytechnic Institute.

Frank H. Laukien, Ph.D. Dr. Frank Laukien has been our Chairman, President and Chief Executive Officer since the inception of its predecessor company in February 1991. In addition, he is also a director and President of Bruker BioSpin Inc. He has served as Executive Chairman of the former Bruker AXS from August 2002 until the merger of Bruker Daltonics and Bruker AXS in July 2003. In addition, from October 1997 to August 2002, he served as the Chairman of the board of directors and, from October 1997 to March 2000, as the Chief Executive Officer, of the former Bruker AXS. Since December 2002, Dr. Frank Laukien has served as Co-Chief Executive Officer of the worldwide Bruker BioSpin group of companies, affiliates of ours and the former Bruker AXS. Dr. Frank Laukien is the brother of Mr. Joerg Laukien, a director of our company, and Dirk Laukien, a nominee for board membership. Dr. Frank Laukien holds a B.S. degree from the Massachusetts Institute of Technology, as well as a Ph.D. in chemical physics from Harvard University. From October 2002 until October 2003, he was Chairman of ALSSA (Analytical & Life Science Systems Association), an industry association. In 2006, Dr. Frank Laukien began serving as a trustee of the Rivers School.

BOARD MEETINGS, COMMITTEES AND COMPENSATION

There are currently eleven members of our board of directors. Seven of the current members of the board of directors, namely, Collin J. D'Silva, Richard D. Kniss, Daniel S. Dross, William A. Linton, Brenda J. Furlong, Richard A. Packer and Wolf-Dieter Emmerich are independent within the meaning of the Marketplace Rules of the NASDAQ Stock Market LLC, or NASDAQ.

During fiscal year 2007, our board of directors held eleven meetings and acted by written consent one time. During such periods in 2007 in which they served as board members, all of the directors attended at least 75% of the aggregate of: (1) the total number of meetings of the board of directors and (2) the total number of meetings held by committees of the board of directors on which they served. It is the policy of our board of directors that at least two directors, including at least one independent director, attend our Annual Meeting, either in person or by telephonic conference. Three directors attended our 2007 Annual Meeting. As described below, the board of directors has an Audit Committee and a Compensation Committee. The board of directors does not have a Nominating Committee, but all nominations require approval by a majority of independent directors.

Audit Committee. The Audit Committee of the board of directors, which is currently comprised of Brenda J. Furlong, Collin J. D'Silva and Richard A. Packer, each of whom satisfy the applicable independence requirements of the SEC rules and regulations and NASDAQ Marketplace Rules, met nine times during the 2007 fiscal year. The board of directors has determined that Brenda J. Furlong, Chair of the Audit Committee, qualifies as an audit committee financial expert pursuant to applicable SEC rules and regulations.

The Audit Committee provides assistance to the board of directors in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting and internal control functions of our company and its subsidiaries. The Audit Committee works extensively with the independent auditors, pre-approves all audit and non-audit services provided to our company by its independent auditors, reviews the performance of the independent auditors and replaces or terminates the independent auditors when circumstances warrant. The Audit Committee is also charged with establishing and monitoring procedures for (i) the receipt, retention or treatment of complaints received by our company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential submission by our employees of concerns regarding questionable accounting or auditing matters. None of the members of the Audit Committee have participated in the preparation of any financial statements of the our company at any time during the last three fiscal years.

Compensation Committee. The Compensation Committee, which is comprised of Daniel S. Dross, Richard D. Kniss and William A. Linton, all of whom meet the independence requirements of the NASDAQ Marketplace Rules, met five times and acted by written consent once during the 2007 fiscal year. Mr. Linton is the Chairman of the Compensation Committee. The Compensation Committee administers our stock option plan, determines the chief executive officer's salary, bonus, and equity based compensation, oversees the executive compensation program for our other executive officers and determines such compensation, reviews general policy matters relating to compensation and employee benefits and makes recommendations concerning these matters to the board of directors. From time to time, we expect that various of our senior executive officers will provide analysis and recommendations to the Compensation Committee on compensation issues, as requested by the Compensation Committee. In particular, the Chief Executive Officer annually evaluates the performance of the Chief Financial Officer and the Senior Vice President and makes recommendations to the Compensation Committee regarding the compensation of these executive officers. The Compensation Committee reviews these performance evaluations and recommendations and, if the Committee deems appropriate, adopts the recommendations with little to no change. The Chief Financial Officer does the same with respect to the Corporate Controller. Our Chief Executive Officer, Chief Financial Officer and the Director of Human Resources may routinely attend meetings of the Compensation Committee to provide information relating to matters the Compensation Committee is considering. The Compensation Committee may, from time to time, meet in executive session without any executive officers present. In December 2006, the Compensation Committee approved the charter included as **Annex E** to this proxy statement.

COMPENSATION OF DIRECTORS

We pay the non-employee directors of the board a mix of cash and share-based compensation based on the determination of the Compensation Committee. Employee directors receive compensation only as employees of Bruker BioSciences. Directors are reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the board or committees thereof.

The following table provides information concerning the compensation paid by Bruker BioSciences to each of the non-employee directors for the fiscal year ended December 31, 2007.

2007 Director Compensation Table

Name (a)	Fees Earned or Paid in Cash (b)	Stock Awards(1,2) (c)	Option Awards(1) (d)	Total (h)
M. Christopher Canavan, Jr.(3)	$ 34,500(4)	$ 9,340(5)	$	$ 43,840
Taylor J. Crouch	$ 29,500(6)	$ 9,340(5)		$ 38,840
Daniel S. Dross	$ 43,000(7)	$ 8,339(8)	(9)	$ 51,339
Collin J. D'Silva	$ 131,500(10)	$ 8,339(8)	(11)	$ 139,839
Wolf-Dieter Emmerich	$ 17,786(12)		$ 2,471(13)	$ 20,257
Brenda J. Furlong	$ 35,324(14)	$ 1,104(15)		$ 36,428
Richard D. Kniss	$ 123,000(16)	$ 8,339(8)	(17)	$ 131,339
Joerg C. Laukien	$ 33,500(18)		$ 30,503(19)	$ 64,003
William A. Linton	$ 148,000(20)	$ 8,339(8)	(21)	$ 156,339
Richard Packer	$ 27,560(22)	$ 1,104(15)		$ 28,664
Richard M. Stein	$ 35,000(23)		(24)	$ 35,000
Bernhard Wangler	$ 35,000(25)		$ 20,100(26)	$ 55,100

Frank H. Laukien, Ph.D., our Chairman and President and Chief Executive Officer, is not included in this table as he is an employee of our company and receives no compensation for his service as a director. The compensation received by Dr. Frank Laukien as an officer of Bruker BioSciences is shown in the 2007 Summary Compensation Table on page [140].

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(1)
The amounts in columns (c) and (d) reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2007, in accordance with Statement of Financial Accounting Standards No. 123R ("FAS 123R"), of awards pursuant to our Amended and Restated 2000 Stock Option Plan and may include amounts from awards granted both in and prior to 2007. Assumptions used in the calculation of these amounts are included in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. As required, the amounts shown exclude the impact of any estimated forfeitures related to service-based vesting conditions. The actual amount realized by the director will likely vary based on a number of factors, including our performance, stock price fluctuations and applicable vesting.

(2)
The grant date fair value of each award of 2,000 shares of restricted common stock made on February 28, 2007 was $18,020. The grant date fair value of each award of 1,000 shares of restricted common stock made on August 1, 2007 was $7,950. The grant date fair value of each award of 2,000 shares of restricted common stock made on January 5, 2006 was $10,000.

(3)
Mr. Canavan resigned from the board of directors effective May 16, 2007. Mr. Canavan received $18,000 in consulting fees for support given to the Audit Committee over a four-month period following his resignation from the board.

(4)
This amount includes a $13,000 cash retainer, board meeting attendance fees totaling $7,500, and a $14,000 retainer as Chair of the Audit Committee.

(5)
In connection with consulting services provided by Mr. Canavan and Mr. Crouch following their respective departures from the board, the Compensation Committee approved the acceleration of the applicable forfeiture periods for certain restricted stock awards previously granted. Includes amounts recognized as a result of the acceleration of forfeiture provisions relating to those shares of restricted stock granted on January 5, 2006 and February 28, 2007 for which the forfeiture restrictions would lapse, under the terms of the grants, on or before February 28, 2008.

(6)
This amount includes a $13,000 cash retainer, board meeting attendance fees totaling $7,500, and a $9,000 retainer as a member of the Audit Committee. Mr. Crouch resigned from the board of directors effective May 16, 2007.

(7)
Includes a $26,000 annual cash retainer, board meeting attendance fees totaling $9,000, and an $8,000 retainer as a member of the Compensation Committee.

(8)
As of December 31, 2007, each of Mr. Dross, Mr. D'Silva, Mr. Kniss and Mr. Linton held an aggregate of 4,000 shares of restricted stock pursuant to grants made on January 5, 2006 and February 28, 2007. The 2,000 shares that were granted on January 5, 2006 vest ratably on each of January 5, 2007, January 5, 2008 and January 5, 2009. The 2,000 shares that were granted on February 28, 2007 vest ratably on each of February 28, 2008, February 28, 2009 and February 28, 2010.

(9)
As of December 31, 2007, Mr. Dross held options to purchase 13,150 shares of common stock, all of which are vested.

(10)
Includes a $26,000 annual cash retainer, board meeting attendance fees totaling $7,500, an $18,000 retainer as a member of the Audit Committee, and an $80,000 fee for Mr. D'Silva's service on the temporary special committee formed to represent the interests of the stockholders of Bruker BioSciences unaffiliated with the Bruker BioSpin Group Shareholders in connection with the potential combination with the Bruker BioSpin Group.

(11)
As of December 31, 2007, Mr. D'Silva held options to purchase 20,250 shares of common stock, all of which are vested.

(12)
Mr. Emmerich joined the board of directors on May 16, 2007. This amount includes a $16,286 cash retainer and board meeting attendance fees totaling $1,500.

(13)
On August 1, 2007, Mr. Emmerich was awarded an option to purchase 3,000 shares of common stock for his service as a director. The grant date fair value of such award was $17,790. As of December 31, 2007, Mr. Emmerich held options to purchase 3,000 shares of common stock which vest ratably on each of August 1, 2008, August 1, 2009 and August 1, 2010.

(14)
Ms. Furlong joined the board of directors on May 16, 2007. This amount includes a $16,286 cash retainer, board meeting attendance fees totaling $1,500, and a $17,538 retainer as Chair of the Audit Committee.

(15)
As of December 31, 2007, both Ms. Furlong and Mr. Packer held an aggregate of 1,000 shares of restricted stock pursuant to grants made on August 1, 2007. These shares vest ratably on each of August 1, 2008, August 1, 2009 and August 1, 2010.

(16)
Includes a $26,000 annual cash retainer, board meeting attendance fees totaling $9,000, an $8,000 retainer as a member of the Compensation Committee, and an $80,000 fee for Mr. Kniss' service on the temporary special committee formed to represent the interests of the stockholders of Bruker BioSciences unaffiliated with the Bruker BioSpin Group Shareholders in connection with the potential combination with the Bruker BioSpin Group.

(17)
As of December 31, 2007, Mr. Kniss held options to purchase 25,750 shares of common stock, all of which are vested.

(18)
Includes a $26,000 annual cash retainer and board meeting attendance fees totaling $7,500.

(19)
On February 28, 2007, Mr. Laukien was awarded an option to purchase 6,000 shares of common stock for his service as a director. The grant date fair value of such award was $40,320. Also included is an option to purchase 6,000 shares of common stock earned by Mr. Laukien for his service in 2006 as a director and authorized by the Compensation Committee on January 5, 2006. The grant date fair value of the option awarded to Mr. Laukien on January 5, 2006 was $19,980. Due to administrative error the grant was never fully documented. As a result, a new grant was made to Mr. Laukien in January 2007. As of December 31, 2007, Mr. Laukien held options to purchase 15,060 shares of common stock, of which options to purchase 3,020 shares are vested. Options granted on January 24, 2007 to purchase 9,060 shares vest ratably on each of January 24, 2007, January 24, 2008 and January 24, 2009. Options granted on February 28, 2007 to purchase 6,000 shares vest ratably on each of February 28, 2008, February 28, 2009, and February 28, 2010.

(20)
Includes a $26,000 annual cash retainer, board meeting attendance fees totaling $9,000, a $13,000 retainer as Chair of the Compensation Committee and a $100,000 fee for Mr. Linton's service as Chair of the temporary special committee formed to represent the interests of the stockholders of Bruker BioSciences unaffiliated with the Bruker BioSpin Group Shareholders in connection with the potential combination with the Bruker BioSpin Group.

(21)
As of December 31, 2007, Mr. Linton held options to purchase 20,250 shares of common stock, all of which are vested.

(22)
Mr. Packer joined the board of directors on May 16, 2007. This amount includes a $16,286 cash retainer and an $11,274 retainer as a member of the Audit Committee.

(23)
Includes a $26,000 annual cash retainer and board meeting attendance fees totaling $9,000.

(24)
As of December 31, 2007, Mr. Stein held options to purchase 7,750 shares of common stock, all of which are vested. In addition, in May 2003 in connection with Mr. Stein's service as a board member, he was granted an option to purchase 2,500 shares of common stock, which options are fully vested and held by Nixon Peabody LLP.

(25)
Includes a $26,000 annual cash retainer and board meeting attendance fees totaling $9,000.

(26)
On February 28, 2007, Mr. Wangler was awarded an option to purchase 6,000 shares of common stock for his service as a director. The grant date fair value of such award was $40,320. As of December 31, 2007, Mr. Wangler held options to purchase 32,250 shares of common stock, of which options to purchase 22,230 shares are vested. Options granted on January 5, 2006 to purchase 6,000 shares vest ratably on each of January 5, 2007, January 5, 2008 and January 5, 2009. Options granted on February 28, 2007 to purchase 6,000 shares vest ratably on each of February 28, 2008, February 28, 2009, and February 28, 2010.

Components of Director Compensation

Cash components for the service of non-employee directors during 2007 was paid according to the following schedule:

Annual Retainer:		
Board Service	$	26,000
Audit Committee Service	$	18,000
Audit Committee Chair	$	10,000
Compensation Committee Service	$	8,000
Compensation Committee Chair	$	5,000
Attendance Fees per Board meeting:	$	1,500

During 2007, William Linton, Collin D'Silva and Richard Kniss served as members of a temporary special committee of the board of directors established in August 2007 to represent the interests of the stockholders of Bruker BioSciences unaffiliated with the Laukien family in connection with the potential combination with the Bruker BioSpin Group. Under the terms of the Compensation and Indemnification Agreement entered into on December 3, 2007 by the members of the special committee and Bruker BioSciences, the Chair of the special committee, William Linton, will receive a $100,000 fee for his services as Chair of the special committee, and each of the remaining members of the special committee will receive an $80,000 fee for their services on the special committee.

On February 28, 2007, Bruker BioSciences granted each non-employee director, other than Mr. Stein, either an option to purchase 6,000 shares of common stock or 2,000 shares of restricted common stock. Based on differences in the tax treatment of awards of options and common stock, directors who are United States citizens are awarded shares of restricted stock, while directors who are not United States citizens receive grants in the form of options. The option and restricted stock grants vest in equal annual installments over three years on the anniversary of the grant date, beginning on February 28, 2008. Such share-based awards are made annually to non-employee directors as a component of their compensation. Additionally, on August 1, 2007, the Compensation Committee authorized equity grants to the three directors newly elected to the board at our 2007 Annual Meeting. The newly elected directors received either a grant of 1,000 shares of common stock or an option to purchase 3,000 shares of common stock. On January 7, 2008, annual equity awards were granted to all non-employee directors able to hold such awards in their own name. Each such director was granted an option to purchase 6,000 shares of common stock. The 2008 option grants vest in equal annual installments over three years on the anniversary of the grant date, beginning on January 7, 2009.

DIRECTOR NOMINATIONS

We do not have a nominating committee, based on a board determination that full board participation in the nominations process would foster improved corporate governance. On March 3, 2004, our company adopted a policy by board resolution governing the nomination of directors, according to which the full board of directors approves all nominees for board membership. In some cases, one or more board members may screen potential nominees before presenting them to the full board for consideration. In all cases, a majority of our independent directors must approve the nominees. The qualifications of recommended candidates will be reviewed by at least a majority of the independent directors of our company, as well as the full board of directors. Stockholders may recommend director candidates for inclusion by the board of directors in the slate of nominees which the board recommends to stockholders for election as described below.

The process followed by the board and independent directors to identify and evaluate potential candidates includes requests to board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by independent directors and the board. The independent directors and the board are authorized to retain advisers and consultants and to compensate them for their services. The independent directors and the board did not retain any such advisers or consultants for this purpose during fiscal year 2007.

In considering whether to recommend any candidate for inclusion in the board's slate of recommended director nominees, the board and the independent directors apply the criteria which are set forth in a resolution of the board approved and adopted on March 3, 2004.

These criteria include, but are not limited to, the following:

experience in aspects of business or technology relevant to our company's business;

sufficient time available to devote to the affairs of our company;

character and integrity;

ability to represent the best interests of stockholders as a whole rather than special interest groups;

willingness to participate actively as a board member; and

communication, decision-making and interpersonal skills.

The board and the independent directors may also consider the following for some of the director nominees:

experience serving as a director of a public company;

familiarity with corporate governance issues;

independence, as determined in accordance with SEC rules and regulations and NASDAQ listing standards;

experience in running a comparable company or division of a comparable company;

insight into our company, including our strategy, business model, operations, and financials;

knowledge of industry trends and markets; and qualification as an "audit committee financial expert" to serve on the Audit Committee in accordance with SEC and NASDAQ definitions.

The board and the independent directors do not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the board to fulfill its responsibilities.

Although our company does not have a specific policy with respect to the nomination of directors by stockholders, our company will consider nominations made by stockholders. We believe that it is not necessary to have a policy for director nominations by stockholders because the board of directors, including the independent directors, is able to effectively locate and evaluate potential candidates for nomination to the board of directors due to the directors' intimate knowledge of our company and the life science industry. However, stockholders may communicate directly with the board of directors by written communication submitted to Richard M. Stein at the address set forth below under "Stockholder Communications." Mr. Stein shall be primarily responsible for monitoring the communications and providing summaries or copies of such communications to the board of directors as he deems appropriate, and, as described below, will submit communications to the board of directors relating to corporate governance matters and long-term corporate strategy. Stockholders may use this process to suggest potential nominations to the board of directors. Such suggested nominations shall be forwarded to the board of directors and the proposed candidates shall be evaluated using substantially the same process and applying the same criteria as used and applied in evaluating candidates submitted by board members. Nominations shall be received by our company within the timeframe set forth herein under "Time for Submission of Stockholder Proposals."

COMPENSATION DISCUSSION AND ANALYSIS

Overview

Our company's executive compensation program is administered by the Compensation Committee of the board of directors. Pursuant to the authority delegated by the board of directors, the Compensation Committee oversees our company's stock option plan, determines the chief executive officer's salary, bonus, and equity-based compensation, oversees the executive compensation program for our other executive officers, including reviewing and approving the overall values and forms of compensation for the executive officers listed in the 2007 Summary Compensation Table below (the "Named Executive Officers") as well as for other officers of our company, reviews general policy matters relating to compensation and employee benefits and makes recommendations concerning these matters to the board of directors.

Executive Compensation Philosophy

Our key objectives in structuring and determining executive compensation are to:

- attract and retain qualified executive officers;
- motivate existing officers to perform;
- reward outstanding corporate performance;
- align compensation with Bruker BioSciences' annual and long-term performance goals;
- enhance our profitability; and
- maximize stockholder value.

Our company achieves these objectives through a compensation philosophy that seeks to align compensation with our strategic objectives and reward our Named Executive Officers for meeting certain performance goals. Executive compensation is based in part on a pay-for-performance philosophy, which emphasizes both company and individual performance measures that correlate closely with the achievement of both short and long term performance objectives. To motivate our Named Executive Officers, we focus on cash compensation in the form of salary and bonus, a portion of which is tied to the individual's performance, and we augment this cash compensation annually with equity grants. In structuring executive compensation, the Compensation Committee focuses on our goal of long-term enhancement of stockholder value through grants of equity incentive awards with extended vesting schedules. We believe the use of such incentives to retain and motivate individuals who have developed the skills and expertise required to lead Bruker BioSciences is key to our continued success.

Components of Executive Compensation

Compensation is comprised of cash compensation in the form of annual base salary and annual incentive bonus awards, as well as long-term incentive compensation in the form of stock option and restricted stock grants.

The Compensation Committee considers cash compensation data derived from an independent source, Salary.com's CompAnalyst Executive, for a peer group of publicly-traded companies. We selected companies that we consider to be in same or similar industries, broadly similar in revenues and market capitalization, or similar in growth and performance potential. Our management provides input on the peer group, but the Compensation Committee has the final determination of the group. The companies that are included in the peer group are reviewed annually by management and the Compensation Committee and can change from year to year as market conditions warrant. The peer group used by the Compensation Committee for evaluating annual base salary and annual incentive bonus awards is currently comprised of the following:

Affymetrix Inc.	PerkinElmer, Inc.
Agilent Technologies, Inc.	Sequenom, Inc.
Caliper Life Sciences, Inc.	Thermo Fisher Scientific, Inc.
Dionex Corporation	Varian, Inc.
Keithley Instruments Inc.	Waters Corporation

The following tables compare Bruker BioSciences to the selected peer group for certain key metrics. The Compensation Committee considers these quantitative factors, in addition to certain qualitative factors, in assessing the appropriateness of these companies for compensation comparison purposes.

Market Capitalization as of January 1, 2007
(in billions)

Thermo Fisher Scientific, Inc.	$ 19.2
Agilent Technologies, Inc.	14.2
Waters Corporation	5.0
PerkinElmer, Inc.	2.7
Affymetrix, Inc.	1.6
Varian, Inc.	1.4
Dionex Corporation	1.1
Bruker Biosciences Corporation	**0.8**
Caliper Life Sciences, Inc.	0.3
Keithley Instruments Inc.	0.2
Sequenom, Inc.	0.2

Revenues for the Most Recently Audited Fiscal Year
(in millions)

Agilent Technologies, Inc.(4)	$ 4,973
Thermo Fisher Scientific, Inc.(1)	3,792
PerkinElmer, Inc.(1)	1,546
Waters Corporation(1)	1,280
Varian, Inc.(3)	835
Bruker Biosciences Corporation(1)	**436**
Affymetrix, Inc.(1)	324
Dionex Corporation(2)	291
Keithley Instruments Inc.(3)	155
Caliper Life Sciences, Inc.(1)	108
Sequenom, Inc.(1)	28

(1) Revenues for the year ended December 31, 2006.

(2) Revenues for the year ended June 30, 2006.

(3) Revenues for the year ended September 30, 2006.

(4) Revenues for the year ended October 31, 2006.

Cumulative Annual Growth Rate for the Most Recently Audited Three-Year Period

Caliper Life Sciences, Inc.	118%
Thermo Fisher Scientific, Inc.	100
Keithley Instruments Inc.	45
Bruker Biosciences Corporation	**36**
Dionex Corporation	36
Waters Corporation	34
Agilent Technologies, Inc.	27
Varian, Inc.	25
Affymetrix, Inc.	15
PerkinElmer, Inc.	15
Sequenom, Inc.	(6)

Net Income as a Percentage of Revenue for the Most Recently Audited Fiscal Year

Agilent Technologies, Inc.(4)	66%
Waters Corporation(1)	17
Dionex Corporation(2)	12
PerkinElmer, Inc.(1)	8
Varian, Inc.(3)	6
Keithley Instruments Inc.(3)	5
Bruker Biosciences Corporation(1)	**4**
Thermo Fisher Scientific, Inc.(1)	4
Affymetrix, Inc.(1)	(4)
Caliper Life Sciences, Inc.(1)	(26)
Sequenom, Inc.(1)	(62)

(1) Net Income as Percentage of Revenue for the year ended December 31, 2006.

(2) Net Income as a Percentage of Revenue for the year ended June 30, 2006.

(3) Net Income as a Percentage of Revenue for the year ended September 30, 2006.

(4) Net Income as a Percentage of Revenue for the year ended October 31, 2006. Included in U.S. GAAP net income as a percentage of revenue was a gain of $1.8 billion on the sale of a business. Excluding this gain, net income as a percentage of revenue was 29%.

Given our size and financial performance relative to the peer group, the Compensation Committee typically sets salary and target bonus compensation at a level not to exceed the median of the peer group.

Annual Base Salary. Base salaries are determined based on a variety of factors, including officers' levels of responsibility, experience and potential, and a comparison of salaries paid to peers within the company and to those with similar roles at other companies. Base salaries are set at levels that the Compensation Committee believes will allow our company to attract and retain qualified managers who will enable our company to deliver on its business goals.

Base salaries are reviewed annually and may be adjusted after considering the various factors described above. The Chief Executive Officer makes recommendations to the Compensation Committee for base salaries for the Chief Financial Officer and the Senior Vice President. When setting the base salaries of these executive officers, the Compensation Committee, while considering the recommendations of the Chief Executive Officer, makes the final determination based on the factors listed above and the executive officer's performance during the previous year. The Compensation Committee also evaluates the performance of and sets the salary for the Chief Executive Officer.

Annual Cash Incentive Awards. Annual incentive awards in the form of performance-based cash bonuses for the Chief Executive Officer and Bruker BioSciences' other executive officers are based upon management's success in meeting Bruker BioSciences' financial and strategic goals. Typically, specific criteria for these bonuses have been determined based on a combination of qualitative and quantitative measures, the details of which are established each year. The specific individual goals vary for each executive based on his responsibilities and role within our company and may include financial or strategic measures, including, among others, revenue growth, gross profit margin improvement, meeting earnings per share targets, identifying and developing new product and market opportunities and other strategic initiatives. The goals are intended to reward performance which results in our company meeting or exceeding its financial goals. These cash incentive bonus awards reflect both the individual's performance compared with his performance goals for the year and the overall performance of our company.

Performance ranges are established for each goal. The range of the performance goals and associated cash incentive opportunities are expressed in the form of a threshold, representing the minimum criteria for earning a bonus payment, and a target, representing the level at which 100% of the bonus would be earned. In order to provide additional motivation to the executive officers, and to reward outstanding corporate performance, the Compensation Committee does not set a maximum amount that can be earned in the event that the executive officers exceed their targets in the performance-based incentive plans. The Compensation Committee may, in their discretion, award cash incentive bonuses above the target level in the event individual or firm performance exceeds targeted levels.

The Chief Executive Officer is responsible for making recommendations to the Compensation Committee for our company-wide performance goals and the bonus goals and weightings for the Chief Financial Officer and the Senior Vice President. The Chief Executive Officer is also responsible for developing and providing a proposal to the Compensation Committee for his own bonus plan and target levels. The Compensation Committee reviews the recommendations of the Chief Executive Officer and determines the final bonus structure and goals for each of these executive officers, including threshold and target bonus levels. After the close of the fiscal year, the Chief Executive Officer provides the Committee with his assessment of the performance of the Chief Financial Officer and the Senior Vice President against their respective bonus goals and proposed bonus payout. When determining the bonus payout for the executive officers, the Compensation Committee, while considering the recommendations of the Chief Executive Officer, makes the final determination based on the executive officer's performance, and that of the department which he led during the year relative to the performance-based goals. The determination of the bonus earned is generally made within the first two months after the end of the fiscal year, allowing time to assess the achievement of the bonus goals. On occasion, additional bonuses in excess of those calculated to have been earned have been given by the Compensation Committee in recognition of exceptional performance. The Chief Financial Officer recommends performance and bonus goals for the Corporate Controller, including their respective weightings, and is responsible for making a recommendation to the Compensation Committee regarding the compensation of the Corporate Controller based on his assessment of the Corporate Controller's performance against these goals.

As a specific set of performance goals and bonus targets for the Chief Executive Officer and Senior Vice President were not established for fiscal 2007, 2007 bonus awards to these executive officers will be made at the discretion of the Compensation Committee upon its review of our company's 2007 performance. For the Chief Financial Officer and Corporate Controller, the specific performance goals established by the Compensation Committee for 2007 are described under the heading "Other Named Executive Officer Compensation" on pages [135, 136 and 137] of this proxy statement. Annual incentive awards are typically determined in February after the close of the fiscal year. The level of awards for fiscal 2007 has not yet been determined. For 2007, 70% of the bonus potential for the Chief Financial Officer was based on the achievement of company-wide goals and 30% of the bonus potential was based on the achievement of individual goals. For 2007, 60% of the bonus potential for the Corporate Controller was based on the achievement of company-wide goals and 40% of the bonus potential was based on the achievement of individual goals.

Long-Term Incentives. Equity incentive compensation in the form of stock options and restricted stock is designed to provide long-term incentives to executive officers and other employees, to encourage the executive officers and other employees to remain with Bruker BioSciences and to enable recipients to develop and maintain a long-term stock ownership position in the common stock, which in turn motivates the recipient to focus on long-term enhancement in stockholder value. Bruker BioSciences' Amended and Restated 2000 Stock Option Plan, administered by the Compensation Committee, is the vehicle for the granting of stock options and restricted stock. Prior to 2005, incentive stock options and non-qualified stock options were the only form of equity compensation granted. The Board and the Compensation Committee selected this form of equity compensation because it aligned the interests of employees to those of the stockholders and also because of accounting and tax treatments of such awards. Beginning in 2006, the accounting treatment for stock options changed as a result of Statement of Financial Accounting Standards No. 123(R) and, in 2006, the Compensation Committee began granting U.S. employees shares of restricted stock as well as options. Company management evaluates the efficacy of our long-term incentive compensation on an ongoing basis, and may from time to time provide input and recommendations to the Compensation Committee with regard to the optimal form and extent of equity incentives to be granted to employees, including the Named Executive Officers. In 2007, the company awarded stock options to certain of its employees and executive officers as long-term incentive compensation.

While generally granted on an annual basis, all options and restricted stock grants are discretionary and may be granted by the Compensation Committee at any time. Our company does not embrace performance-vesting, meaning that individual vesting is not based upon the achievement of any specific goals or objectives. The Compensation Committee does, however, consider the individual and company's performance in determining the total and individual equity awards. The Compensation Committee has determined that equity compensation awards to executives and all other employees should be based upon the economic value of the grant award and should be considered part of the overall compensation package. In making specific grants to executives, the Compensation Committee evaluates each executive officer's total equity compensation package. The Compensation Committee generally reviews the option and restricted stock holdings of each of the executive officers, including vesting and exercise price and the then current value of such options or restricted stock. We consider equity compensation to be an integral part of a competitive executive compensation package, a way to reinforce the individual's commitment to Bruker BioSciences and an important mechanism to align the interests of management with those of Bruker BioSciences' stockholders. Annual grants are generally made in January or February of each year.

Chief Executive Officer Compensation

In accordance with our pay-for-performance philosophy and to align the interests of the Chief Executive Officer with our shareholders, approximately 50% of the Chief Executive Officer's compensation is at risk through short-term and long-term incentive programs. This at-risk component includes the annual cash and long-term equity incentive awards which are within the discretion of the Compensation Committee.

Annual Base Salary. Dr. Frank Laukien's base salary, which is subject to annual review and increase by the Compensation Committee, was $306,000 for the year ended December 31, 2007, a 4.0%

increase compared to a base salary of $295,000 for the year ended December 31, 2006. Consistent with our pay-for-performance philosophy, Frank Laukien's base salaries for 2007 and 2006 were below the median of the defined peer group. The Compensation Committee has not yet determined Frank Laukien's base salary for 2008.

Annual Cash Incentive Award. The amount of Frank Laukien's bonus is determined annually by the Compensation Committee. As a specific set of performance goals and bonus threshold and target levels for the Chief Executive Officer were not established for fiscal 2007, Frank Laukien's 2007 bonus award will be made at the discretion of the Compensation Committee upon its review of our company's 2007 performance. Frank Laukien's target bonus pool was $150,000 for 2006. The formula for determining the amount of Frank Laukien's bonus for 2006 included a mix of quantitative factors, which represented 70% of his bonus potential, and qualitative factors, which represented 30% of his bonus potential. Quantitative factors primarily included revenue growth, gross profit margin improvement, achieving an increase in earnings per share and reducing the working capital ratio. Qualitative factors included, among other things, developing the senior management teams of Bruker BioSciences, Bruker AXS and Bruker Daltonics, implementing a formal review process for Bruker BioSciences' senior management, identifying and developing new market and new product opportunities, and developing and implementing a three-year strategic plan for Bruker BioSciences. Frank Laukien's bonus for the fiscal year ended December 31, 2006 was determined by the Compensation Committee to be $250,000, including 100% of the $150,000 target amount based on Frank Laukien's achievement of target objectives, and an additional $100,000 for outstanding performance in excess of plan.

Long-Term Incentives. During 2007 and 2006, Frank Laukien was granted options to purchase 100,000 shares of Bruker BioSciences common stock and 33,250 shares of our restricted common stock, respectively, under the Amended and Restated 2000 Stock Option Plan. The options granted to Frank Laukien on August 1, 2007 vest annually over four years and are exercisable upon vesting at $8.75 per share, which is equal to 110% of the closing market price of our common stock on the date of the grant. The shares granted in 2006 to Frank Laukien vest annually over five years, with twenty percent vesting each year on the anniversary of the grant. Through his ownership of our common stock and options to purchase common stock, Frank Laukien's pecuniary interests are closely aligned with those of our stockholders.

Other Named Executive Officer Compensation

In determining base salaries and annual cash incentive award targets for calendar year 2007, the Compensation Committee made subjective judgments of each named officer's position, experience, responsibilities and performance. In addition, the Compensation Committee considered the median base salary and cash incentive award of the defined peer group. As a result of this analysis, the Compensation Committee set annual base salaries and cash incentive targets for each named officer at a level not to exceed the median of the peer group. Executive officers have the opportunity to receive total compensation awards exceeding the target levels by delivering outstanding performance in excess of the goals set forth in their individual bonus plans.

William J. Knight

Mr. Knight's base salary for 2007 was $260,000, a 4.0% increase over his base salary of $250,000 in 2006. Mr. Knight's 2007 bonus target was set at $85,000, a 42% increase over the 2006 bonus target of $60,000. In keeping with our emphasis on the incentive components of executive officer compensation, Mr. Knight's base salaries for 2007 and 2006 were established at levels below the median salaries of Chief Financial Officers of our peer group. The formula for determining the amount of Mr. Knight's bonus is set annually by the Compensation Committee and each year his performance and Bruker BioSciences' performance are measured against pre-established goals. The formula for determining the amount of Mr. Knight's bonus for the fiscal year ended December 31, 2007 is based on a mix of quantitative factors, which represent 70% of his bonus potential, and qualitative factors, which represent 30% of his bonus potential. Quantitative goals to be considered include achieving targeted revenue growth of 12.9% over 2006, improving year-over-year gross profit margin by 1.0%, achieving targeted earnings per share, before acquisition-related charges, of $0.30, and reducing the working capital ratio by 10% year-over-year. Qualitative factors to be considered primarily include continued development of the global financial organization, including the treasury and reporting functions, and completion of a comprehensive performance management process for all key global financial management employees. The Compensation Committee set Mr. Knight's bonus threshold at 60%, meaning that Mr. Knight will not be awarded a cash incentive bonus if the Compensation Committee determines that he did not achieve at least 60% of his performance goals.

Mr. Knight's annual cash incentive award for the fiscal year ended December 31, 2007 has not yet been determined. In the first quarter of 2007, Mr. Knight received a discretionary bonus of $10,000 for his work in connection with completion of the follow-on offering of Bruker BioSciences common stock that closed on February 12, 2007. In 2006, the Compensation Committee awarded Mr. Knight a bonus of $100,000, including 100% of the $60,000 target amount based on Mr. Knight's achievement of target objectives, and an additional $40,000 for outstanding performance in excess of plan.

During 2007 and 2006, Mr. Knight was granted options to purchase 50,000 shares of Bruker BioSciences common stock and 8,350 shares of restricted common stock, respectively, under the Amended and Restated 2000 Stock Option Plan. The options granted to Mr. Knight in August 2007 and the shares granted to Mr. Knight in 2006 vest annually over five years, with twenty percent vesting each year on the anniversary of each of the grants.

The Compensation Committee has not yet determined Mr. Knight's base salary or bonus target level for 2008.

Dirk D. Laukien

Dr. Dirk Laukien's base salary for 2007 was $260,000, a 4.0% increase over his 2006 base salary. Dirk Laukien's base salaries for 2007 and 2006 were below median salaries of executive officers with similar responsibilities within our peer group. A specific set of performance goals and bonus target for Dirk Laukien were not recommended by the Chief Executive Officer or established by the Compensation Committee for fiscal 2007. The Compensation Committee may, under its discretionary authority, award Dirk Laukien a 2007 cash incentive bonus upon its review of our company's 2007 performance. Dirk Laukien joined Bruker BioSciences as its Senior Vice President in July 2006, in connection with the acquisition of our Bruker Optics subsidiary. In 2006, Dirk Laukien received a $2.5 million one-time success fee payment from Bruker Optics immediately prior to the closing of our acquisition of Bruker Optics.

Also in connection with the acquisition of Bruker Optics in 2006, Dirk Laukien was awarded 500,000 shares of restricted common stock under the Amended and Restated 2000 Stock Option Plan. The shares granted to Dirk Laukien vest annually over five years, with twenty percent vesting each year on the anniversary of the grant. Dirk Laukien was not granted additional equity incentive compensation in 2007 as the Compensation Committee determined that the 2006 grant provided sufficient incentive compensation for the period through December 31, 2007.

The Compensation Committee has not yet determined Dirk Laukien's base salary or incentive bonus target for 2008.

Brian P. Monahan

Mr. Monahan's base salary for 2007 was $180,000, a 9.1% increase over his 2006 base salary of $165,000. Mr. Monahan's bonus target for 2007 was set at $60,000, a 71% increase over the 2006 bonus target of $35,000. In recommending the increase in Mr. Monahan's base salary and bonus target, the Chief Financial Officer reviewed salaries and bonuses paid to executives in our peer group as well as comparable positions at our U.S. subsidiaries and affiliates. The increase in Mr. Monahan's salary and potential bonus also reflects his promotion to Executive Vice President of Bruker Daltonics in 2006. Mr. Monahan's base salaries for 2007 and 2006 were set at levels below the median salary of controllers within our peer group in order to place greater emphasis on performance-based incentive compensation. To determine the amount of Mr. Monahan's annual incentive bonus award, Mr. Monahan's performance and the performance of Bruker BioSciences are measured against pre-established goals. The formula for determining the amount of Mr. Monahan's bonus for the fiscal year ended December 31, 2007 is based on a mix of quantitative factors, which represent 70% of his bonus potential, and qualitative factors, which represent 30% of his bonus potential. Quantitative factors to be considered include achieving targeted revenue growth of 12.9% over 2006, improving year-over-year gross profit margin by 1.0%, achieving targeted earnings per share, before acquisition-related charges, of $0.30, and reducing the working capital ratio by 10% year-over-year. Qualitative factors to be considered include the successful implementation of a consolidation tool with the objectives of reducing the company's financial closing cycle and improving management reporting, assisting the Chief Financial Officer with the development of a written strategy for the treasury function to be implemented in 2008, and assisting the company tax director with the development of a written strategy for tax planning to be implemented in fiscal 2008. The Compensation Committee set Mr. Monahan's bonus threshold at 60%, meaning that Mr. Monahan will not be awarded a cash incentive bonus for 2007 if the Compensation Committee determines that he did not achieve at least 60% of his performance goals. The Chief Financial Officer has not yet made a 2007 bonus award recommendation for Mr. Monahan.

Mr. Monahan's bonus for the fiscal year ended December 31, 2006 was determined by the Chief Financial Officer to be $41,472, including 100% of the $35,000 target amount based on Mr. Monahan's achievement of target objectives, and an additional $6,472 for outstanding performance in excess of plan. In the first quarter of 2007, Mr. Monahan received a discretionary bonus of $8,000 for his work in connection with the successful completion of the follow-on offering of Bruker BioSciences common stock that closed on February 12, 2007.

During 2007 and 2006, Mr. Monahan was granted options to purchase 60,000 of Bruker BioSciences common stock and 5,000 shares of restricted common stock, respectively, under the Amended and Restated 2000 Stock Option Plan. The options granted in August 2007 and shares granted in 2006 vest annually over five years, with twenty percent vesting each year on the anniversary of each of the grants.

The Compensation Committee has not yet determined Mr. Monahan's salary or bonus target for 2008.

Executive Benefits

In 2007, our Named Executive Officers were eligible for the same level and offering of benefits made available to other employees, including our company's 401(k) plan and welfare benefit programs.

Employment Contracts, Termination of Employment and Change in Control Arrangements

Although Bruker BioSciences does not currently have an employment agreement with any of its executive officers, it did issue a letter offering employment to William J. Knight, our Chief Financial Officer. Under the terms of the offer letter, Mr. Knight is entitled to a continuation of salary and benefits for a period of three months in the event his employment is terminated within twelve months of a sale of all or substantially all of our business to a third party. The offer letter also provides for anticipated annual grants of options to purchase 50,000 shares of Bruker BioSciences common stock, subject to the approval of the Compensation Committee.

Under the terms of the awards of options and restricted common stock under the Amended and Restated 2000 Stock Option Plan, unvested amounts are forfeited if the grantee's employment or business relationship with our company is terminated for any reason, other than in the event of death or disability. The board of directors does, however, have the power and the right to accelerate vesting of any and all unvested amounts in the event of a change in control of Bruker BioSciences.

Section 162(m) Limitations

Section 162(m) of the U.S. Internal Revenue Code limits the tax deductibility by a corporation of compensation in excess of $1,000,000 paid to the Chief Executive Officer and any other of its four most highly compensated executive officers. However, compensation which qualifies as "performance-based" is excluded from the $1,000,000 limit if, among other requirements, the compensation is payable only upon attainment of pre-established, objective performance goals under a plan approved by stockholders.

The Compensation Committee does not presently expect total cash compensation payable for salaries to exceed the $1,000,000 limit for any individual executive. Having considered the requirements of Section 162(m), the Compensation Committee believes that stock option grants to date meet the requirement that such grants be "performance-based" and are, therefore, exempt from the limitations on deductibility. The Compensation Committee will continue to monitor the compensation levels potentially payable under Bruker BioSciences' cash compensation programs, but intends to retain the flexibility necessary to provide total cash compensation in line with competitive practice, our compensation philosophy and Bruker BioSciences' best interests.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K, promulgated under the Securities Act of 1933, as amended. Based on such review and discussions, the Compensation Committee recommended to the board of directors that the Compensation Discussion and Analysis be included this Proxy Statement on Schedule 14A.

Submitted by the Compensation Committee of Bruker BioSciences' Board of Directors.

William A. Linton, Chairman
Daniel S. Dross
Richard D. Kniss

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. Dross, Kniss and Linton serve as members of the Compensation Committee. Messrs. Dross, Kniss and Linton were not officers or employees of Bruker BioSciences or any of our subsidiaries during fiscal year 2007.

SUMMARY OF EXECUTIVE COMPENSATION

The following table summarizes the compensation earned by the President, Chief Executive Officer and Chairman and Bruker BioSciences' other executive officers who earned salary and bonus in excess of $100,000 for the years ended December 31, 2007 and December 31, 2006 (the "Named Executive Officers") for services rendered during 2007 and 2006, respectively.

2007 Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Option Awards(1)	All Other Compensation	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(j)
Frank H. Laukien Chairman, President and Chief Executive Officer	2007	$ 306,500	$ (2)	$ 26,600	$ 59,300	$ 6,750(3)	$ 399,150(4)
	2006	$ 295,000	$ 250,000	$ 33,250	$ 36,430	$ 11,760(5)	$ 626,440
William J. Knight Chief Financial Officer and Treasurer	2007	$ 260,000	$ 10,000(6)	$ 6,680	$ 98,400	$ 6,750(7)	$ 381,830(4)
	2006	$ 250,000	$ 100,000	$ 8,350	$ 79,139		$ 437,489
Dirk D. Laukien Senior Vice President, President of Bruker Optics	2007	$ 260,000	(2)	$ 476,100		$ 6,750(8)	$ 742,850(4)
	2006	$ 125,000(9)		$ 264,500		$ 2,513,200(10)	$ 2,902,700
Brian P. Monahan Corporate Controller, Executive Vice President of Bruker Daltonics	2007	$ 180,000	$ 8,000(6)	$ 4,000	$ 35,580	$ 6,038(11)	$ 233,618(4)
	2006	$ 165,000	$ 41,472	$ 5,000			$ 211,472

(1)
The amounts in columns (e) and (f) reflect the dollar amount recognized for financial statement reporting purposes for the fiscal years ended December 31, 2007 and 2006, in accordance with FAS 123R, of awards pursuant to our Amended and Restated 2000 Stock Option Plan and may include amounts from awards granted both in and prior to 2007. Assumptions used in the calculation of these amounts are included in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. As required, the amounts shown exclude the impact of any estimated forfeitures related to service-based vesting conditions. The actual amount realized by the executive officer will likely vary based on a number of factors, including our company's performance, stock price fluctuations and applicable vesting.

(2)
The amount of the 2007 annual cash incentive bonus award has not yet been determined by the Compensation Committee. The amount of the 2007 award is expected to be determined prior to the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

(3)
Amount represents a matching contribution made by our company to the 401(k) plan for the benefit of Dr. Frank Laukien. A profit sharing contribution amount for 2007 has not yet been determined. The amount of the contribution for 2007 is expected to be determined prior to the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

(4)
Amount reported for 2007 includes salary, equity grants, a 401(k) plan matching contribution and, if applicable, a special discretionary bonus award. The executive's 2007 annual cash incentive award has not yet been determined by the Compensation Committee. Actual total compensation may be

higher than reported upon bonus award and profit sharing contribution determinations. The amount of the 2007 bonus award and profit sharing contribution are expected to be determined prior to the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

(5)
Includes a $6,600 matching contribution and a $5,160 profit sharing contribution made by our company to the 401(k) plan for the benefit of Dr. Frank Laukien.

(6)
Amount represents a discretionary bonus awarded in connection with contribution to the completion of the company's follow-on equity offering that closed on February 12, 2007. The amount of the executive's 2007 performance-related annual bonus award has not yet been determined by the Compensation Committee. The amount of the 2007 bonus award is expected to be determined prior to the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

(7)
Amount represents a matching contribution made by our company to the 401(k) plan for the benefit of Mr. William Knight.

(8)
Amount represents a matching contribution made by our company to the 401(k) plan for the benefit of Dr. Dirk Laukien. A profit sharing contribution amount for 2007 has not yet been determined. The amount of the 2007 bonus award and profit sharing contribution are expected to be determined prior to the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

(9)
Dr. Dirk Laukien joined our company on July 1, 2006 in connection with the acquisition of Bruker Optics Inc. Accordingly, his 2006 salary includes only amounts paid by our company for his service from July 1, 2006 through December 31, 2006.

(10)
In connection with the acquisition of Bruker Optics in July 2006, Dr. Dirk Laukien received a one-time success fee payment of $2.5 million. The amount reported also includes a $6,600 matching contribution and a $6,600 profit sharing contribution made by our company to the 401(k) plan for the benefit of Dr. Dirk Laukien.

(11)
Amount represents a matching contribution made by our company to the 401(k) plan for the benefit of Mr. Brian Monahan.

2007 Grants of Plan-Based Awards

The following table sets forth certain information with respect to individual grants of plan-based awards to the named executive officers during the fiscal year ended December 31, 2007.

		All Other Option Awards:		
Name	**Grant Date**	**Number of Securities Underlying Options**	**Exercise or Base Price of Option Awards ($/SH)**	**Grant Date Fair Value of Stock and Option Awards**
Frank H. Laukien	8/1/2007	100,000	$ 8.75	$ 593,000
William J. Knight	8/1/2007	50,000	7.95	$ 296,500
Dirk D. Laukien	N/A			
Brian P. Monahan	8/1/2007	60,000	7.95	$ 355,800

The Compensation Committee authorized grants of stock options as long-term incentive compensation to each of the Chief Executive Officer, Chief Financial Officer and Corporate Controller on August 1, 2007. In determining the long-term equity incentive compensation to be awarded during 2007, the Compensation Committee made a subjective judgement of experience, responsibilities and performance. In addition, the Compensation Committee considered equity awards granted to comparable executive officers included within our peer group. As a result of this analysis, the Compensation Committee set the long-term equity award incentive compensation at a level not to exceed the median of the peer group. The award to the Chief Executive Officer vests in four equal annual installments on the anniversary of the grant date, beginning on August 1, 2008, and is exercisable upon vesting at 110% of the closing price of our common stock on the date of the grant. The awards to the Chief Financial Officer and the Corporate Controller each vest in five equal installments on the anniversary of the grant dates, beginning on August 1, 2008. Upon vesting, the options become exercisable at a price based on the closing price of our common stock on the date of the grant. The closing price on the NASDAQ Global Select Market of our common stock on August 1, 2007 was $7.95 per share.

Outstanding Equity Awards At December 31, 2007

The following table provides information concerning unexercised options, stock that has not vested, and equity incentive plan awards for each named executive officer outstanding as of the end of our most recently completed fiscal year. Each outstanding award is represented by a separate row which indicates the number of securities underlying the award, including awards that have been transferred other than for value (if any).

For option awards, the table discloses the exercise price and the expiration date. For stock awards, the table provides the total number of shares of stock that have not vested and the aggregate market value of shares of stock that have not vested.

We computed the market value of stock awards by multiplying the closing market price of our stock at the end of the most recently completed fiscal year by the number of shares or units of stock or the amount of equity incentive plan awards, respectively.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares of Stock that have not Vested	Market Value of Shares of Stock that have not Vested
Frank H. Laukien					26,600(1)	$ 353,780
	100,000		$ 5.71	04/29/09		
		100,000(2)	$ 8.75	08/01/12		
William J. Knight	75,000	50,000(3)	$ 3.16	10/25/14	6,680(1)	$ 88,844
		50,000(4)	$ 7.95	08/01/17		
Brian P. Monahan	2,500		$ 5.28	04/26/14	4,000(1)	$ 53,200
	5,250		$ 4.87	06/30/14		
		60,000(4)	$ 7.95	08/01/17		
Dirk D. Laukien					400,000(5)	$ 5,320,000

(1)
Shares vest in five equal annual installments on the anniversary of the grant date, beginning January 5, 2007.

(2)
Options vest in four equal annual installments on the anniversary of the grant date, beginning August 1, 2008.

(3)
Options vest in five equal annual installments on the anniversary of the grant date, beginning October 25, 2005.

(4)
Options vest in five equal annual installments on the anniversary of the grant date, beginning August 1, 2008.

(5)
Shares vest in five equal installments on the anniversary of the grant date, beginning July 1, 2007.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of the common stock as of [December 5], 2007 and as of immediately following the closing of the transactions (i) by each person who is known by Bruker BioSciences to own beneficially more than 5% of the common stock, (ii) by each of Bruker BioSciences' directors, (iii) by each named executive officer of Bruker BioSciences, as defined in "Summary of Executive Compensation," and (iv) by all directors and executive officers who served as directors or named executive officers as of [December 5], 2007 as a group. Unless otherwise noted, the address of each beneficial owner is c/o Bruker BioSciences Corporation, 40 Manning Road, Billerica, Massachusetts 01821.

	Amount and Nature of Beneficial Ownership(1)		Percent of Class(1)	
Beneficial Owners	**Before the Combination**	**After the Combination**	**Before the Combination**	**After the Combination**
Directors and Officers				
Frank H. Laukien(2)	19,547,838	30,237,501	18.5%	18.5%
William J. Knight(3)	133,350	133,350	*	*
Dirk D. Laukien(4)	11,476,483	22,266,147	10.9%	13.6%
Brian P. Monahan(5)	12,750	12,750	*	*
Joerg C. Laukien(6) Markgrafenstrasse 34 76530 Baden-Baden Germany	9,119,208	19,902,832	8.6%	12.2%
Brenda J. Furlong(7) 19 Ocean Street Manchester-by-the-Sea, MA 01944	1,000	1,000	*	*
Collin J. D'Silva(8) c/o Transgenomic, Inc. 2032 Concourse Drive San Jose, CA 95131	24,250	24,250	*	*
William A. Linton(9) c/o Promega Corporation 2800 Woods Hollow Road Madison, Wisconsin 53711	24,250	24,250	*	*
Richard M. Stein(10) c/o Nixon Peabody LLP 100 Summer Street Boston, Massachusetts 02110	13,599	13,599	*	*
Bernhard Wangler(11) Kriegsstr. 133 76135 Karlsruhe, Germany	24,210	24,210	*	*
Richard Kniss(12) 1985 Cowper Street Palo Alto, California 94301	48,776	48,776	*	*

Wolf-Dieter Emmerich R. Harbigstrasse 22 D-95100 Selb Germany			*	*
Richard A. Packer(13) 9 Kendall Drive Westborough, MA 01581	4,000	4,000	*	*
Daniel S. Dross(14) 4433 McFarlin Boulevard Dallas, Texas 75205	17,150	17,150	*	*
All executive officers and directors as a group (13 persons)	40,446,864	72,589,815	38.2%	44.4%
5% Beneficial Owners				
Isolde Laukien-Kleiner(15) Silberstreifen 8 D-76287 Rheinstetten Germany	7,183,472	21,569,690	6.8%	13.2%
Marc M. Laukien(16) 809 Harbour Isles Court N. Palm Beach, Florida 33410	7,693,177	18,482,841	7.3%	11.3%
Royce & Associates, LLC(17) 1414 Avenue of the Americas New York, NY 10019	5,734,000	5,734,000	5.4%	3.5%

*
Less than one percent

(1)
Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable, or become exercisable within 60 days from the date hereof, are deemed outstanding. However, such shares are not deemed outstanding for purposes of computing the percentage ownership of any other person. Percentage ownership before the completion of the combination with the Bruker BioSpin Group is based on 105,545,527 shares of common stock outstanding as of [December 5, 2007]. If the combination is consummated, Bruker BioSciences will issue 57,544,872 shares of Bruker BioSciences common stock with a value of $[703,773,785] as of [December 5, 2007]. Under this assumed issuance, following the acquisition, there would be approximately 163,154,879 shares of common stock outstanding.

(2)
Includes options to purchase 100,000 shares of common stock that are currently exercisable, or become exercisable within 60 days of the date hereof and 26,600 shares of restricted common stock. Also includes 1,064,276 shares owned by Robyn Laukien as to which Frank Laukien has voting power. Also includes 10,034,387 and 755,276 shares of common stock issuable to Dr. Laukien and Robyn Laukien, respectively, in connection with the acquisition.

(3)
Includes options to purchase shares 75,000 of common stock that are currently exercisable, or become exercisable within 60 days of the date hereof and 6,680 shares of restricted common stock.

(4)
Includes 41,293 shares of common stock held by the Dirk D. Laukien Trust for Leah Laukien, dated June 1, 2000 and 400,000 shares of restricted common stock. Also includes 10,789,664 shares of common stock issuable to Dr. Laukien in connection with the combination.

(5)
Includes options to purchase 7,750 shares of common stock that are currently exercisable, or become exercisable within 60 days of the date hereof and 4,000 shares of restricted common stock.

(6)
Includes options to purchase 6,040 shares of common stock that are currently exercisable, or become exercisable, within 60 days of the date hereof and 10,789,664 shares of common stock issuable to Mr. Laukien in connection with the combination.

(7)
Includes 1,000 shares of restricted common stock.

(8)
Includes options to purchase 20,250 shares of common stock that are currently exercisable, or become exercisable within 60 days of the date hereof and 3,340 shares of restricted common stock.

(9)
Includes options to purchase 20,250 shares of common stock that are currently exercisable, or become exercisable within 60 days of the date hereof and 3,340 shares of restricted common stock.

(10)
Includes options to purchase 10,250 shares of common stock that are currently exercisable, or become exercisable within 60 days of the date hereof, of which options to purchase 2,500 shares of common stock are held by Nixon Peabody LLP, the law firm at which Mr. Stein is a partner.

(11)
Includes options to purchase 24,210 shares of common stock that are currently exercisable, or become exercisable within 60 days of the date hereof.

(12)
Includes options to purchase 25,750 shares of common stock that arc currently exercisable, or become exercisable within 60 days of the date hereof and 3,340 shares of restricted stock.

(13)
Includes 1,000 shares of restricted common stock.

(14)
Includes options to purchase 13,150 shares of common stock that are currently exercisable, or become exercisable within 60 days of the date hereof and 3,340 shares of restricted common stock.

(15)
Includes 14,386,218 shares of common stock issuable to Mrs. Laukien-Kleiner in connection with the combination.

(16)
Includes 10,789,664 shares of common stock issuable to Mr. Laukien in connection with the combination.

(17)
Royce & Associates, LLC ("Royce"), a registered investment advisor, is deemed to have beneficial ownership of 5,734,000 shares, all of which shares are owned by investment companies and their investment vehicles for which Royce serves as investment advisor and investment manager. Royce disclaims beneficial ownership of all such shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 and the rules promulgated thereunder require Bruker BioSciences' officers and directors and persons owning more than 10% of the outstanding common stock of Bruker BioSciences to file reports of ownership and changes in ownership with the Securities and Exchange Commission and to furnish us with copies of all these filings. We believe, based solely upon a review of those reports and amendments thereto furnished to us during and with respect to our fiscal year ended December 31, 2007, that all of our directors and executive officers complied with the reporting requirements of Section 16(a) of the Exchange Act during fiscal 2007, except as follows: Mr. Joerg Laukien was late filing two Form 4 reports for two transactions; Mr. Bernhard Wangler, Mr. William Linton, Mr. Collin D'Silva, Mr. Richard D. Kniss, Mr. Daniel S. Dross, Mr. M. Christopher Canavan and Mr. Taylor Crouch, directors of the company, were each late filing a Form 4 report for one transaction.

STOCKHOLDER COMMUNICATIONS

The board will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters and subject to any required assistance or advice from legal counsel, Richard M. Stein, Secretary of our company, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries of such communications to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that Mr. Stein considers to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we may receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to the board should address such communications to Richard M. Stein, Secretary, at Nixon Peabody LLP, 100 Summer Street, Boston, MA 02110.

TIME FOR SUBMISSION OF STOCKHOLDER PROPOSALS

Pursuant to Rule 14a-8 under the Exchange Act, stockholders may present proper proposals for inclusion in a company's proxy statement and for consideration at the next Annual Meeting of its stockholders by submitting their proposals to Bruker BioSciences in a timely manner.

Stockholders interested in submitting a proposal for inclusion in the proxy materials for the Annual Meeting of Stockholders in 2008 may do so by following the procedures set forth in Rule 14a-8 of the Securities Exchange Act of 1934, as amended. To be eligible for inclusion, stockholder proposals must have been received by Bruker BioSciences no later than November 30, 2007.

Additionally, under our by-laws, no business may be brought before an Annual Meeting unless it is specified in the notice of meeting by or at the direction of the board or by a stockholder entitled to vote who has delivered notice to Bruker BioSciences (containing certain information specified in the by-laws) not less than 90 or more than 120 days prior to the first anniversary of the preceding year's Annual Meeting.

OTHER MATTERS

Management knows of no matters which may properly be and are likely to be brought before the meeting other than the matters discussed herein. However, if any other matters properly come before the meeting, the persons named in the enclosed proxy will vote in accordance with their best judgment.

WHERE YOU CAN FIND MORE INFORMATION

Bruker BioSciences files reports, proxy statements and other information with the SEC as required under the Exchange Act. You may read and copy any reports, statements or other information filed by Bruker BioSciences at the public reference facilities maintained by the SEC in Room 1590, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for additional information on the operation of the SEC's public reference facilities. The SEC maintains a website that contains reports, proxy statements and other information, including those filed by Bruker BioSciences at http://www.sec.gov. You may also access the SEC filings and obtain other information about Bruker BioSciences through the website maintained by Bruker BioSciences which http://www.bruker-biosciences.com. The information contained on the website is not incorporated by reference in, or in any way part of, this proxy statement.

This proxy statement does not contain all the required information because the SEC allows us to "incorporate by reference" information into this proxy statement, which means that we can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement, except for any information superseded by information in this proxy statement. This proxy statement incorporates by reference the documents set forth below that Bruker BioSciences has previously filed with the SEC. These documents incorporated by reference contain important financial information about Bruker BioSciences and its financial condition. Bruker BioSciences incorporates by reference into this proxy statement the following documents filed by it with the SEC under the Exchange Act:

Our Annual Report on Form 10-K for the year ended December 31, 2006.

Our Quarterly Reports on Form 10-Q for the quarters ended September 30, 2007, June 30, 2007 and March 31, 2007.

Our Current Report on Form 8-K filed on December 3, 2007.

In addition, Bruker BioSciences incorporates by reference additional documents that it may file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 between the date of this proxy statement and the date of the Special Meeting. These documents include periodic reports, such as annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K (excluding any current reports on Form 8-K to the extent disclosure is furnished and not filed in accordance with SEC rules), as well as proxy statements.

You may obtain documents that are incorporated by reference in this proxy statement without charge by requesting them in writing or by telephone from Bruker BioSciences at:

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

Neither Bruker BioSciences nor the Bruker BioSpin Group has authorized any person to give any information or make any representation about the combination with the Bruker BioSpin Group that is different from, or in addition to, that contained in this proxy statement or in any of the materials that are incorporated by reference in this proxy statement. Therefore, if anyone does give you information of this sort, you should not rely on it. The information contained in this proxy statement speaks only as of the date of this document unless the information specifically indicates that another date applies.

VOTING PROXIES

The board of directors recommends an affirmative vote on all proposals specified. Proxies will be voted as specified. If signed proxies are returned without specifying an affirmative or negative vote on any proposal, the shares represented by such proxies will be voted in favor of the board of directors' recommendations.

By order of the board of directors

Chairman, President and Chief Executive Officer

[ ], 2008

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Report of Independent Auditors

The Shareholders
Bruker BioSpin Group

We have audited the accompanying combined balance sheets as of December 31, 2006 and 2005, of the companies listed in Note 1, and the related combined statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of the companies' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the companies' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the companies' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position at December 31, 2006 and 2005, of the companies listed in Note 1, and the combined results of their operations and their cash flows for each of the three years in the period ended December 31, 2006 in conformity with U.S. generally accepted accounting principles.

As discussed in Notes 2 and 17 to the combined financial statements, in 2006 the companies adopted Statement of Financial Accounting Standards ("SFAS") No. 158, *Employers Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106 and 132(R).*

/s/ Ernst & Young LLP

November 30, 2007
Boston, Massachusetts

Bruker BioSpin Group

Combined Balance Sheets

(in thousands)

	September 30 2007	December 31 2006	December 31 2005
	(Unaudited)		
Assets			
Current assets:			
Cash and cash equivalents	$ 268,819	$ 259,094	$ 248,782
Short-term investments and restricted cash	12,794	14,448	11,488
Trade accounts receivable, net of allowances for doubtful accounts of $2,779, $2,747 and $2,743 in 2007, 2006 and 2005	70,030	68,089	68,555
Accounts receivable from affiliated companies	8,389	4,392	6,722
Notes receivable from affiliated companies	188	194	
Inventories	290,363	276,186	253,900
Deferred income taxes	16,143	18,517	19,690
Other current assets	11,981	11,909	10,909
Total current assets	678,707	652,829	620,046
Property, plant and equipment, net	102,404	100,093	93,768
Deferred income taxes	5,453	3,174	3,515
Intangible assets	2,133	2,678	1,821
Long-term restricted cash	373	304	883
Long-term taxes receivable	2,816	2,606	
Other assets	1,043	985	7,860
Total assets	$ 792,929	$ 762,669	$ 727,893
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank borrowings	$ 845	$	$ 1,697
Current portion of long-term debt	5,762	5,333	4,789
Current portion of capital lease	725	665	589
Trade accounts payable	24,297	23,305	19,167
Accounts payable to affiliated companies	7,134	8,747	6,122
Accrued expenses and other liabilities	56,191	51,346	48,853
Customer deposits	191,612	189,031	195,634
Deferred revenue	16,488	17,346	11,747
Deferred income taxes	13,181	22,113	25,976
Income taxes payable	12,141	6,759	24,415
Total current liabilities	328,376	324,645	338,989
Deferred revenue	28,981	27,153	25,475
Long-term debt		4,132	13,235
Long term capital lease obligation	2,342	2,672	2,996
Other liabilities	19,365	13,657	11,330
Deferred income taxes	3,104	4,675	708
Shareholders' equity:			

		December 31	
Common shares, $0.01 par value, authorized 20,000 shares, issued and outstanding 8,869 shares	89	89	89
Share capital	22,492	22,492	22,492
Additional paid-in capital	8,781	8,781	8,781
Accumulated other comprehensive income	94,181	68,832	45,313
Retained earnings	285,218	285,541	258,485
Total shareholders' equity	410,761	385,735	335,160
Total liabilities and shareholders' equity	$ 792,929	$ 762,669	$ $727,893

See accompanying notes.

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Bruker BioSpin Group

Combined Statements of Income

(in thousands)

	Nine Months Ended September 30		Years Ended December 31		
	2007	**2006**	**2006**	**2005**	**2004**
	(Unaudited)				
Product revenue:					
Magnetic resonance products	$ 336,211	$ 302,288	$ 430,984	$ 422,710	$ 467,558
Non-core products	13,750	9,494	12,724	16,172	16,841
Other revenue	1,932	1,705	3,246	6,353	2,930
Total revenue	351,893	313,487	446,954	445,235	487,329
Costs and operating expenses:					
Cost of product revenue	210,026	180,989	246,309	253,019	288,164
Marketing and selling	35,909	33,529	48,931	45,176	48,330
Research and development	38,160	38,889	53,657	55,180	53,855
General and administrative	18,943	16,795	21,326	23,795	26,360
Special (credit) charge				(25,754)	28,469
Total costs and operating expenses	303,038	270,202	370,223	351,416	445,178
Operating income	48,855	43,285	76,731	93,819	42,151
Interest income, net	5,775	3,691	5,543	2,391	151
Other (expense) income, net	(406)	(1,004)	(4,585)	5,612	(6,911)
Income before income taxes	54,224	45,972	77,689	101,822	35,391
Provision for income taxes	10,696	15,505	21,115	26,596	11,735
Net income	$ 43,528	$ 30,467	$ 56,574	$ 75,226	$ 23,656

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Bruker BioSpin Group

Combined Statements of Shareholders' Equity

(in thousands)

	Common Shares Par Value	Share Capital	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity
Combined balance as of January 1, 2004	$ 89	$ 22,492	$ 8,781	$ 59,437	$ 232,125	$ 322,924
Dividends declared					(38,882)	(38,882)
Comprehensive income:						
Unrealized gains on available-for-sale securities				142		142
Foreign currency translation adjustment				31,326		31,326
Net income					23,656	23,656
Total comprehensive income						55,124
Combined balance as of December 31, 2004	89	22,492	8,781	90,905	216,899	339,166
Dividends declared					(33,640)	(33,640)
Comprehensive income:						
Unrealized gains on available-for-sale securities				113		113
Minimum pension liability adjustment				(414)		(414)
Foreign currency translation adjustment				(45,291)		(45,291)
Net income					75,226	75,226
Total comprehensive income						29,634
Combined balance as of December 31, 2005	89	22,492	8,781	45,313	258,485	335,160
Dividends declared					(29,518)	(29,518)
Effect of SFAS No. 158 adoption, net of tax provision of $1,950				(7,574)		(7,574)
Comprehensive income:						
Unrealized gains on available-for-sale securities				202		202
Reversal of SFAS No. 87 minimum pension liability, net of tax provision of $133				(61)		(61)
Foreign currency translation adjustment				30,952		30,952
Net income					56,574	56,574
Total comprehensive income						87,667
Combined balance as of December 31, 2006	$ 89	$ 22,492	$ 8,781	$ 68,832	$ 285,541	$ 385,735

See accompanying notes.

Bruker BioSpin Group

Combined Statements of Cash Flows

(in thousands)

	Nine Months Ended September 30		Years Ended December 31		
	2007	**2006**	**2006**	**2005**	**2004**
	(Unaudited)				
Operating activities					
Net income	$ 43,528	$ 30,467	$ 56,574	$ 75,226	$ 23,656
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	11,323	11,011	14,897	14,687	16,879
Writedown of inventory to net realizable value	7,560	7,533	12,340	12,319	14,410
Deferred income taxes	(4,381)	(4,456)	4,052	(11,623)	(1,788)
Provision for loss on contracts	(1,164)	220	1,441	290	258
Net gain on property and equipment sales	(50)	89	(78)	(73)	(774)
Special charge (credit)				(25,754)	28,469
Charge for impairment of investments and goodwill					1,832
Change in net unrealized gains on securities available for sale	336	406	(202)	(113)	(142)
Net changes in fair value of derivative assets			271	1,563	258
Changes in operating assets and liabilities:					
Accounts receivable	(2,102)	13,930	7,357	(1,145)	10,474
Inventories	(3,182)	(3,974)	(15,233)	(9,280)	(6,959)
Other assets	180	(1,567)	(499)	4,914	4,135
Accounts payable	(2,655)	(4,478)	4,337	(7,884)	6,624
Accrued expenses and other liabilities	1,707	(17,545)	(30,528)	29,839	2,709
Deferred revenue	(1,751)	(569)	3,614	1,124	(27)
Restricted cash	(40)	819	2,449	(723)	(4,194)
Customer deposits	(6,333)	(23,728)	(15,736)	15,335	(9,272)
Net cash provided by operating activities	42,976	8,158	45,056	98,702	86,548
Investing activities					
Purchases of property and equipment	(6,716)	(5,340)	(13,380)	(14,600)	(13,599)
Proceeds from property and equipment sales	190	1,201	1,674	2,329	1,136
Collection on (disbursement on) notes from affiliated companies	18	(466)	(178)	2,414	2,250
Net (purchase) proceeds of short-term investments	2,473	(3,746)	(3,497)	2,056	123
Earn out payments related to the acquisition of EAS business					(114)
Proceeds (payments) related to acquisitions of Shapemetal and EAS			(1,643)		594
Net cash used in investing activities	(4,035)	(8,351)	(17,024)	(7,801)	(9,610)
Financing activities					
Net repayments on short-term borrowings	779	(1,645)	(1,337)	(856)	(2,171)
Repayments of long-term debt and capital lease	(4,583)	(1,754)	(9,493)	(14,087)	(4,079)
Payment of dividends	(42,641)	(29,518)	(29,518)	(33,640)	(38,882)
Net cash used in financing activities	(46,445)	(32,917)	(40,348)	(48,583)	(45,132)

	Nine Months Ended September 30		Years Ended December 31		
Effects of exchange rate changes	17,229	3,388	22,628	(31,294)	18,496
Net increase (decrease) in cash and cash equivalents	9,725	(29,722)	10,312	11,024	50,302
Cash and cash equivalents at beginning of year	259,094	248,782	248,782	237,758	187,456
Cash and cash equivalents at end of year	$ 268,819	$ 219,060	$ 259,094	$ 248,782	$ 237,758
Supplemental cash flow information					
Cash paid for interest			$ 1,121	$ 1,671	$ 2,206
Cash paid for taxes			43,259	15,705	20,434

See accompanying notes.

Bruker BioSpin Group

Notes to Combined Financial Statements

1. Description of Business and Basis of Presentation

These financial statements present the combined financial position of Bruker BioSpin Inc., Bruker Physik AG, Techneon AG, Bruker BioSpin Invest AG and all of their wholly owned subsidiaries (the Bruker BioSpin Group or the Group). These companies represent companies under the control of common shareholders. All significant inter-group accounts and transactions have been eliminated in the combined financial statements. The combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles.

The Bruker BioSpin Group designs, manufactures and distributes enabling life science tools based on its core technology, magnetic resonance. The Group's core technology platforms are Nuclear Magnetic Resonance (NMR), Electro Paramagnetic Resonance (EPR), Magnetic Resonance Imaging (MRI), bench-top NMR and EPR, as well as advanced magnet technology and power supplies. Bruker's NMR division is a worldwide leader in NMR spectroscopy, with design, manufacturing and application centers in Europe, North America and Japan, as well as application and customer support facilities in most industrialized and developing countries. The Group also sells and services non-core products that are manufactured by non-combined Bruker-affiliated entities. The Group's diverse customer base includes pharmaceutical companies, biotechnology companies, academic institutions and government agencies.

Effective July 1, 2003, the Group acquired the operations of a superconducting wire manufacturer, European Advanced Superconductors (EAS) GmbH & Co KG in Hanau, Germany. The superconducting wire manufacturer is also a wire supplier to the Group's magnet manufacturing sites. In March 2004, the Group acquired certain assets of ZFW, Gottingen, through a newly formed Bruker subsidiary, European High Temperature Superconductors (EHTS) GmbH & Co. KG. This entity provides research and development of high temperature superconductors.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

Cash and Cash Equivalents

The Group considers all highly liquid investments with original maturities of 90 days or less at date of purchase to be cash equivalents. Certain of these investments represent deposits which are not insured by the FDIC or any other United States government agency. Cash and cash equivalents are carried at cost, which approximates fair market value.

Restricted Cash

At December 31, 2006 and 2005, the Group had $4,095 and $5,931, respectively, that was subject to restrictions in connection with advance deposits made by customers and bank performance-bid bonds. According to the terms of the various agreements, $3,791 of these funds will be released from restrictions within one year. The remaining $304 will be released at the discretion of certain government agencies and is designated as a long-term asset in the accompanying combined balance sheet at December 31, 2006.

Short-Term Investments

The Group accounts for its short-term investments in accordance with Statement of Financial Accounting Standards (SFAS) No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. The Group's investments consist of money market funds that are considered to be available-for-sale and bond instruments that are considered to be trading securities at December 31, 2006 and 2005. The available-for-sale securities are reported at fair value, with unrealized gains and losses, net of tax, included as a separate component of comprehensive income. The value of these securities, as of December 31, 2006 and 2005, were $7,233 and $5,723, respectively. Unrealized gains associated with the available-for-sale securities were $202, $113, and $142 for the years ended December 31, 2006, 2005, and 2004 respectively. The bond instruments valued at $3,424 and $592 for the years ended December 31, 2006 and 2005 have maturity dates of September 2007 and February 2008. The unrealized gains from trading securities are recorded in other income.

Decreases in market values of individual securities below cost for a duration of six to nine months are deemed indicative of other than temporary impairment. Other than temporary impairments are recorded by writing down the carrying amount of the investments to market value through other income (expense). For the years ended December 31, 2006, 2005 and 2004, there were no impairment charges.

Concentration of Credit Risk

Financial instruments that potentially subject the Group to concentrations of credit risk consist primarily of cash equivalents, short-term investments and trade receivables. The risk with respect to cash equivalents and short-term investments is minimized by the Group's policy of investing with high-quality financial institutions and monitoring the amount of credit exposure to any one financial institution. The risk with respect to trade receivables is minimized by the creditworthiness and diversity of the Group's customer base. Management performs periodic credit evaluations of its customers' financial condition, and generally requires an advanced deposit for a portion of the purchase price. The Group maintains allowances for potential credit losses, which have been within management's expectations. For the years ended December 31, 2006, 2005, and 2004, no sales to or receivables from any single customer exceeded 10% of Bruker BioSpin Group's product revenue or accounts receivables.

Inventories

Components of inventory include raw materials, work-in-process, demonstration units and finished goods. Demonstration units include units which are located in the Group's demonstration laboratories and at potential customer sites and are considered available for sale. Finished goods include in-transit systems that have been shipped to the Group's customers, but not yet installed and accepted by the customer. All inventories are stated at the lower of cost or market, cost determined principally by the first-in, first-out ("FIFO") method. The Group reduces the carrying value of its inventories for differences between the cost and estimated net realizable value taking into consideration usage in the preceding twelve months, expected demand, technological obsolescence and other information including the physical condition of demonstration and in-transit inventories.

The Group records as a charge to the cost of product revenue for the amount required to reduce the carrying value of inventory to net realizable value. Costs associated with the procurement and warehousing of inventories, such as inbound freight charges and purchasing and receiving costs, are included in the cost of product revenue line item within the statement of operations.

Software Costs

Purchased software is capitalized and amortized over the estimated useful life, generally three years. Costs incurred developing software for use in the Group's products are expensed as incurred and classified as research and development expense.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Major improvements are capitalized while expenditures for maintenance, repairs, and minor improvements are charged to expense. When assets are retired or otherwise disposed of, the assets and related accumulated depreciation are eliminated from the accounts and any resulting gains or loss is reflected in the statement of operations. Depreciable assets are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Machinery and equipment	5-7 years
Furniture and equipment	3-5 years
Leasehold improvements	Lesser of 15 years or the lease term
Buildings	25-39 years

Intangible Assets

Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful lives. Refer to Note 4 for further discussion.

Long-Lived Assets

The Group reviews long-lived assets for impairment in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. Impairment losses are recorded on long-lived assets used in operations when indicators of impairment are present and the quoted market price, if available, or the estimated undiscounted operating cash flows generated by those assets are less than the assets' carrying value. Impairment losses are charged to the statement of operations for the difference between the fair value and carrying value of the asset. No impairment losses were recorded on long-lived assets during the years ended December 31, 2006 and 2005. Due to the poor financial performance and uncertain outlook related to the Group's investment in Cengent, Inc. (formerly Geneformatics), management performed an investment impairment analysis in 2004 and conduded that the investment had suffered an impairment that was deemed to be other than temporary. As such, the Group recorded a $349 charge to other expense to write off the investment as of December 31, 2004.

Warranty Costs

The Group typically provides a one to two-year parts and labor warranty with the purchase of equipment. The anticipated cost for this warranty is accrued upon recognition of the sale and is included as a liability on the accompanying combined balance sheets.

Changes to the product warranty liability during the period were as follows:

	September 30 2007	December 31 2006	December 31 2005
	(Unaudited)		
Balance at beginning of period	$ 9,994	$ 10,081	$ 12,182
Warranties issued during period	8,345	10,984	14,368
Setlements made during period	(7,239)	(11,957)	(15,225)
Foreign currency impact	1,147	886	(1,244)
Balance at end of period	$ 12,247	$ 9,994	$ 10,081

Customer Deposits

Under the terms and conditions of its contracts, the Group often requires an advance deposit for a portion of the purchase price of its products. These deposits are recorded as a liability until the associated revenue is recognized upon acceptance of the system.

Fair Value of Financial Instruments

The Group's financial instruments consist primarily of cash and cash equivalents, short-term investments, accounts receivable, short-term bank borrowings, accounts payable, long-term debt, amounts due to and from Bruker-affiliated entities and notes receivable from Bruker-affiliated entities and derivative instruments. The carrying value of the Group's cash and cash equivalents, short-term investments, accounts receivable, short-term bank borrowings, accounts payable and amounts due to and from Bruker-affiliated entities approximate fair value due to their short-term nature. The carrying values of the notes receivable from Bruker-affiliated entities and long-term debt approximate fair value, estimated using interest rates available to the Group for similar items.

Foreign Currency Translation and Transactions

In accordance with SFAS No. 52, *Foreign Currency Translation*, all balance sheet items of foreign subsidiaries are translated into United States dollars at the current exchange rate at the balance sheet date. Results of operations of foreign subsidiaries are translated at the average exchange rate prevailing throughout the year. Resulting translation adjustments are made directly to shareholders' equity and are included in accumulated other comprehensive income.

Gains and losses resulting from the settlement of transactions denominated in currencies other then the functional currency of the operating entity are recorded in other income (expenses).

Shipping and Handling Costs

The Group records costs incurred in connection with shipping and handling products as marketing and selling expenses. Amounts billed to customers in connection with these costs are included in product revenue. Shipping and handling costs approximated $4,968, $5,132 and $5,388 in the years ended December 31, 2006, 2005 and 2004, respectively.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses included in marketing and selling expenses approximated $2,477, $1,889 and $2,115 for the years ended December 31, 2006, 2005 and 2004, respectively.

Revenue Recognition

The Group recognizes revenue from system sales when persuasive evidence of an arrangement exists, the price is fixed or determinable, title and risk of loss has been transferred to the customer and collectibility of the resulting receivable is reasonably assured. Title and risk of loss is generally transferred to the customer upon receipt of a signed customer acceptance for a system that has been shipped, installed, and for which the customer has been trained. As a result, the timing of customer acceptance or readiness could cause the Group's reported revenues to differ materially from expectations. When products are sold through an independent distributor, a strategic distribution partner or an unconsolidated affiliated distributor, which assumes responsibility for installation, the Group recognizes the system as revenue when the product has been shipped and title and risk of loss has been transferred. The Group's distributors do not have price protection rights or rights to return; however, our products are warranted to be free from defects for a period of one to two years. Revenue is deferred until cash is received when a significant portion of the fee is due over one year after delivery, installation and acceptance of the system. For arrangements with multiple elements, the Group recognizes revenue for each element based on the fair value of the element provided when all other criteria for revenue recognition have been met. The fair value for each element provided in multiple element arrangements is typically determined by referencing historical pricing policies when the element is sold separately. Changes in the Group's ability to establish the fair value for each element in multiple element arrangements could affect the timing of revenue recognition.

Revenue from the sale of accessories and parts is recognized upon shipment and service revenue is recognized as the services are performed.

Other revenues are comprised of research grants and licensing agreements. Grant revenue is recognized as work is performed. Licensing revenue is recognized ratably over the term of the related contract.

Research and Development

Research and development costs are expensed as incurred.

Income Taxes

The Group accounts for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*. Under this method, tax provisions and credits are recorded at statutory rates for taxable items included in the combined statement of operations regardless of the period in which such items are reported for income tax purposes. Deferred income taxes are recognized for temporary differences between financial statement and income tax bases of assets and liabilities for which income tax benefits will be realized in future years. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. There are no tax-sharing agreements among any of the companies comprising the Group. The tax provision, as well as the deferred tax assets and liabilities in the combined financial statements, represents the aggregate of the income tax expense, deferred tax assets and deferred tax liabilities of the individual companies within the Group.

Contingencies

The Group is subject to proceedings, lawsuits and other claims related to patents, products and other matters. Management assesses the likelihood of any adverse judgments or outcomes of these matters, as well as potential ranges of probable losses. A determination of the amount of reserves required, if any, for these contingencies are made after careful analysis of each individual issue. The required reserves may change in the future due to new developments in each matter or changes in approach, such as a change in settlement strategy in dealing with these matters.

Derivative Instruments

The Group manufactures and sells its products in a number of countries throughout the world and, as a result, is exposed to movements in foreign currency exchange rates. The Group periodically enters into forward currency exchange contracts and options to hedge its exposure for product sales recorded in EURO (€) currency to be redeemed in U.S. Dollars. The Group accounts for derivative financial instruments in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended, which requires that all derivative instruments be reported on the balance sheet at fair value and establishes criteria for designation and effectiveness of hedging relationships. Changes in the fair value of derivatives are recorded each period in current operations or in stockholders' equity as other comprehensive income depending upon whether the derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction.

The Group periodically enters into purchase and sales contracts denominated in currencies other than the functional currency of the parties to the transaction. In accordance with SFAS 133, the Group accounts for these transactions separately valuing the "embedded derivative" component of these contracts. The derivative component is marked to market in the combined balance sheet with subsequent changes in the fair value recorded in earnings.

Recent Accounting Developments

In February 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 159, *The Fair Value Option for Financial Assets and Liabilities, Including an amendment of FASB Statement No. 115*, ("SFAS 159"). This Statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS 159 is effective as of the beginning of fiscal 2008. The Company is currently assessing the effect, if any, that the adoption of SFAS 159 will have on its results of operations and financial position.

In September 2006, the FASB issued SFAS No. 158, *Employers Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106 and 132(R).* This Statement requires an employer to recognize the over-funded or under-funded status of defined benefit pension and other postretirement defined benefits plans, previously disclosed in the footnotes to the financial statements, as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. This Statement also requires an employer to measure the funded status of a plan as of the date of its year end statement of financial position. In addition, this Statement will require disclosure of the effects of the unrecognized gains or losses, prior service costs and transition asset or obligation on the next fiscal year's net periodic benefit cost. This Statement is effective for fiscal years ending after June 15, 2007. We have adopted SFAS No. 158 as of December 31, 2006 because the information was readily available and it improves the transparency and understandability of our financial statements regarding the costs and obligations of our pension plans. See Note 17 for further discussion of the effect of adopting SFAS No. 158 on the Group's combined financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS 157"). This Statement is effective for fiscal years beginning after November 15, 2007. SFAS 157 provides a common fair value hierarchy for companies to follow in determining fair value measurements in the preparation of financial statements and expands disclosure requirements relating to how such fair value measurements were developed. SFAS 157 clarifies the principle that fair value should be based on the assumptions that the marketplace would use when pricing an asset or liability, rather than company-specific data. The Company is currently assessing the impact that the adoption of SFAS 157 will have on its results of operations and financial position.

In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*. This Interpretation sets forth a recognition threshold and valuation method to recognize and measure an income tax position taken, or expected to be taken, in a tax return. The evaluation is based on a two-step approach. The first step requires an entity to evaluate whether the tax position would "more likely than not," based upon its technical merits, be sustained upon examination by the appropriate taxing authority. The second step requires the tax position to be measured at the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement. In addition, previously recognized benefits from tax positions that no longer meet the new criteria would no longer be recognized. The application of this Interpretation will be considered a change in accounting principle with the cumulative effect of the change recorded to the opening balance of retained earnings in the period of adoption. This Interpretation will be effective for the Company on January 1, 2008. However, the Company adopted FIN 48 on January 1, 2007, and recorded a reduction of retained earnings of $1,211 effective January 1, 2007.

3. Acquisitions

The acquisitions were accounted for as a purchase in accordance with SFAS No. 141, *Business Combinations.* Under SFAS No. 141, the total consideration for the business acquisitions was first allocated to the assets acquired and liabilities assumed based on their respective fair values.

The Group acquired the superconducting wire business unit of Morgan Crucible on July 1, 2003. The transaction was to facilitate more efficient production and decrease inventory costs as the acquired business unit manufactures a primary component of the Group's magnetic resonance systems. The terms of the acquisition called for earn-out payments based on future net revenues through 2011 to a maximum payment of €48.0 million (approximately $63.3 million at December 31, 2006). Earn-out payments of approximately $5, $5 and $114 were made for sales during the periods ended December 31, 2006, 2005, and 2004, respectively. During 2004, the Group reached an agreement with the former owners, which resulted in a refund of $594. This refund resulted in a purchase price adjustment and a corresponding reduction to goodwill.

In March 2004, the Group acquired certain assets of ZFW, Gottingen, for an initial cash payment of approximately €350 (approximately $437 at March 1, 2004) and earn-out payments of up to €1,200 (approximately $1.58 million at December 31, 2006) for sales between 2007 and 2014. The entire purchase price of $437 represented the fair value of the patents and fixed assets acquired. The business acquired provides research and development for high temperature superconductors.

The Group entered into a Technology Transfer and Asset Purchase Agreement in December 2006 with ShapeMetal Innovation B.V., a former supplier, for a purchase price of €1,500 due in three equal installments of €500. The Group had a pre-existing relationship with ShapeMetal. The initial cash payment of €500 (approximately $660 at December 1, 2006) and milestone payments of €1,000 (approximately $1.32 million at December 31, 2006) represented the fair value of the know how and equipment acquired. The allocation of the purchase price has been made based upon management estimates. The equipment with an approximate fair value of €175 and know how with an approximate fair value of €1,325 were acquired for the manufacturing of powder and powder in tube conductors.

4. Intangible Assets

The following is a summary of intangible assets subject to amortization as of December 31:

		2006				2005			
	Useful Lives In Years	Gross Carrying Amount	Accumulated Amortization	FX effects	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	FX effects	Net Carrying Amount
Patents	3	$ 198	$ (178)	$ (9)	$ 11	$ 178	$ (113)	$ 4	$ 69
Know How	4	3,378	(2,725)	(204)	449	3,033	(1,933)	56	1,156
Patents	5	181	(121)	(6)	54	183	(87)	2	98
Patents	7	862	(411)	(20)	431	775	(288)	11	498
Know How	10	1,748	(14)	(1)	1,733				
Total amortizable intangible assets		$ 6,367	$ (3,449)	$ (240)	$ 2,678	$ 4,169	$ (2,421)	$ 73	$ 1,821

Amortization expense related to intangible assets was $1,028, $912 and $994 for the years ended December 31, 2006, 2005 and 2004, respectively.

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Estimated future amortization expense related to other intangible assets at December 31, 2006 is as follows:

Year ending:		
2007	$	790
2008		340
2009		304
2010		243
2011		175
Thereafter		826
Total	$	2,678

5. Derivative Instruments and Hedging Activities

At December 31, 2005, the Group had option and forward currency exchange contracts with notional amounts aggregating $71,500 all maturing within the fiscal year ended 2006. The contracts involved the purchase of EURO currency at fixed U.S. Dollar amounts. The notional amounts of the contracts were intended to hedge receivables in U.S. Dollars. These transactions did not meet the documentation requirements for hedge accounting under SFAS No. 133. Accordingly, the instruments were marked-to market with the corresponding gains and losses recorded in other income (expense) in the current period. As of December 31, 2005, these instruments had an unfavorable fair value of $2,807, which was recorded in accrued expenses and other liabilities. No such contracts existed as of December 31, 2006.

The Group had various unsettled contracts outstanding related to the purchase and delivery of certain products. The contracts, denominated in currencies other than the functional currency of the transacting parties, amounted to $22,504 for the delivery of products and $122 for the purchase of products. The comparable amounts as of December 31, 2005 were $11,529 and $421. The related net fair value recorded in accrued expenses and other liabilities and other current assets was $282 and $379 as of December 31, 2006 and 2005, respectively.

6. Inventories

The components of inventory at December 31, 2006 and 2005 were as follows:

	September 30 2007	December 31 2006	December 31 2005
	(Unaudited)		
Raw material	$ 54,022	$ 52,391	$ 31,914
Work in process	94,981	78,470	87,486
Demonstration units	56,311	20,185	17,628
In Transit Inventory	67,451	81,369	79,294
Finished goods	17,598	43,771	37,578
Total inventory	$ 290,363	$ 276,186	$ 253,900

Demonstration units include systems located in the Group's demonstration laboratories and at potential customer sites and are considered available for sale. Writedown of demonstration inventory to net realizable value was $12,340, $12,319 and $14,410 for the years ended December 31, 2006, 2005 and 2004, respectively, and is included in cost of product revenue.

7. Property, Plant and Equipment

Property, plant and equipment, and related accumulated depreciation at December 31, 2006 and 2005, consisted of the following:

	2006	2005
Land	$ 13,506	$ 12,438
Furniture and equipment	120,549	107,611
Buildings	78,259	68,319
Leasehold improvements	20,026	18,566
	232,340	206,934
Less accumulated depreciation	(132,247)	(113,166)
Property, plant and equipment, net	$ 100,093	$ 93,768

Depreciation expense, which includes the amortization of leasehold improvements, for the years ended December 31, 2006, 2005 and 2004 approximated $13,869, $13,775 and $15,885, respectively.

8. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities at December 31, 2006 and 2005 consist of the following:

	2006	2005
Accrued compensation	$ 20,725	$ 18,986
Accrued warranty	9,879	9,687
Fair value of derivative instruments		2,807
Embedded derivative liabilities	282	
Provision for loss on contracts	1,809	290
Accrued expenses and other	18,651	17,083
Total accrued expenses and other current liabilities	$ 51,346	$ 48,853

9. Other (Expense) Income, Net

Other (expense) income at December 31, 2006, 2005 and 2004 consist of the following:

	2006	2005	2004
Exchange gains (losses) on foreign currency transactions	$ (6,795)	$ 10,193	$ (7,628)
Appreciation (depreciation) of the fair value of derivative financial instruments	2,094	(5,409)	(221)
Rental income	90	139	126
Net gain on sale of property and equipment	22	73	774
Impairment expense on investments			(349)
Vendor recovery payments			345
Other	4	616	42
Other (expense) income, net	$ (4,585)	$ 5,612	$ (6,911)

10. Income Taxes

The components of income before provision for income taxes consisted of the following for the years ended December 31, 2006, 2005 and 2004:

	2006	2005	2004
United States	$ 3,202	$ 1,200	$ 5,409
Foreign	74,487	100,622	29,982
Total	$ 77,689	$ 101,822	$ 35,391

Significant components of the provision for income taxes for the years ended December 31, 2006, 2005 and 2004 were as follows:

	2006	2005	2004
Current:			
Federal	$ 607	$ 1,110	$ 2,101
State	253	205	518
Foreign	16,093	36,936	10,815
Total current	16,953	38,251	13,434
Deferred			
Federal	135	(733)	(157)
State	41	(211)	(46)
Foreign	3,986	(10,711)	(1,496)
Total deferred	4,162	(11,655)	(1,699)
Provision for income taxes	$ 21,115	$ 26,596	$ 11,735

The reconciliation of the United States federal statutory tax rate to the effective income tax rate for the years ended December 31, 2006, 2005 and 2004 was as follows:

	2006	2005	2004
Income tax at statutory rate:	35.0%	35.0%	35.0%
Add (deduct):			
Foreign income taxes at differing rates	(5.5)	(9.7)	(11.8)
Change in valuation allowance	1.6	1.0	6.0
Other	(3.9)	(0.2)	4.0
Effective income tax rate	27.2%	26.1%	33.2%

The components of the Group's deferred income taxes at December 31, 2006 and 2005 were as follows:

	2006	2005
Deferred tax assets:		
Inventory	$ 7,654	$ 8,097
Deferred revenue	511	564
Net operating loss carryforward	4,885	3,555
Warranty accrual	798	953
Accrued payroll	85	692
Pension	1,016	
	14,949	13,861
Valuation allowance	(5,305)	(3,636)
Net deferred tax asset	9,644	10,225
Deferred tax liabilities:		
Accrued expenses and other	(13,285)	(10,896)
Excess tax over book depreciation	(833)	(1,306)
Pension		(1,053)
Allowance for doubtful accounts	(164)	(122)
Short-term investments	(459)	(327)
Total deferred tax liabilities	(14,741)	(13,704)
Net deferred tax liability	$ (5,097)	$ (3,479)

For financial reporting purposes, a valuation allowance at December 31, 2006 and 2005 was recognized to offset deferred tax assets at companies in the Group where uncertainty existed with respect to future realization of deferred tax assets.

As of December 31, 2006, 2005 and 2004, net operating loss carryforwards approximating $30,837, $22,456 and $13,724, respectively, were available to reduce future foreign taxable income. Portions of the net operating loss carryforwards have no expiration dates, and others expire at various dates through the year 2016.

No provision for United States income taxes has been made in the accompanying combined financial statements for foreign entities' income since they are not subsidiaries of a United States corporation.

11. Related-Party Transactions

Bruker BioSciences Corporation, SciTec GmbH and SciTec GmbH & Co. KG are related parties through common ownership with the Group. The Group and its affiliates have entered into a sharing agreement which provides for the sharing of specified intellectual property rights, services, facilities, and other related items.

The Group recognized sales to Bruker-affiliated entities of approximately $21,115, $17,074 and $13,294 during the years ended December 31, 2006, 2005 and 2004, respectively, and made purchases from Bruker-affiliated entities of approximately $11,318, $13,029 and $17,088 during the years ended December 31, 2006, 2005 and 2004, respectively.

During the years ended December 31, 2006, 2005 and 2004, the Group received net payments of $1,136, $2,613 and $3,388, respectively, from various Bruker-affiliated companies for administrative and other services (including office space) provided to those entities in accordance with the terms of the shared services agreements. The amounts paid for services are based on management's best estimates of the fair value of such services, and were recorded as a reduction of general and administrative expense in the combined financial statements.

The Group rents office space from principal shareholders under multiple leases, which have expiration dates ranging from March 31, 2010 to December 31, 2015. Total rent expense under these leases was $1,081, $1,078 and $1,143 for the years ended 2006, 2005 and 2004, respectively. The Group subleased a portion of office space from an affiliate during 2006, 2005 and 2004. The Group paid $32 and $29 and $120, respectively, in rental expense, which included charges for utilities and other occupancy cost.

As of December 31, 2006 and 2005, the Group had outstanding notes receivable totaling $194 and $-0-, respectively, from other affiliated entities.

12. Financing Arrangements

The Group maintained several revolving lines of credit in 2006 and 2005, totaling $22,850 and $22,253, respectively, among various banks at interest rates ranging between 0.89% and 11.5%. As of December 31, 2006 and 2005, $0 and $1,697 were outstanding against these revolving lines of credit, respectively. Outstanding balances under these revolving lines of credit are due on demand, with interest payable monthly. The lines of credit are secured by inventory and accounts receivable, and are renewable annually.

13. Long-Term Debt

Long-term debt at December 31, 2006 and 2005 was as follows:

	2006	2005
Euro bank loan for €28.3 million. Semi-annually interest payments, due and payable through June 30, 2008 (maturity), at a rate of 4.07%.	$ 8,147	$ 16,840
Euro bank loan for €1 million. Quarterly interest payments, due and payable through December 1, 2009 (maturity), at a rate of EURIBOR plus 30 basis points (approximately 3.94% at December 31, 2006).	1,318	1,184
	9,465	18,024
Less current portion	5,333	4,789
Total long-term debt	$ 4,132	$ 13,235

The above notes payable are secured by certain of the Group's assets. As of December 31, 2006 and 2005, the Group is in compliance with all debt covenants.

Annual maturities of long-term non-related party debt are as follows:

Year ending:	
2007	$ 5,333
2008	2,813
2009	1,319
Total	$ 9,465

Interest expense for the years ended December 31, 2006, 2005 and 2004 was $847, $1,473 and $1,469, respectively.

14. Shareholders' Equity

Common Shares

The Group's shareholders' equity includes common shares and additional paid-in capital representing shares in Bruker BioSpin Inc., a company incorporated in the United States. Each share is entitled to one vote.

Share Capital

The Group's shareholders' equity includes non-par share capital of Bruker BioSpin Invest AG, a Swiss non-stock company, Bruker Physik AG, a German stock company and Techneon AG, a Swiss stock company. Share capital of the individual companies was as follows at both December 31, 2006 and 2005:

Bruker BioSpin Invest AG	$ 10,011
Bruker Physik AG	7,475
Techneon AG	5,006
	$ 22,492

Dividends

Dividends from German and Swiss stock companies may only be declared and paid from retained earnings (after deduction of certain reserves) shown in the companies' statutory financial statements. Retained earnings shown in the individual companies' statutory financial statements differ from that shown in the U.S. GAAP financial statements as a result of different bases of accounting.

In 2006 and 2005, the Board of Directors of Bruker BioSpin Invest AG declared and paid dividends of approximately $28,956 and $22,236, respectively. In 2006 and 2005, the Board of Directors of Bruker BioSpin Inc. declared and paid dividends of $0 and $5,000, respectively. In 2006 and 2005, the Board of Directors of Bruker Physik AG declared and paid dividends of approximately $562 and $6,404, respectively.

15. Segment and Geographic Information

SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information about operating segments in annual financial statements of public business enterprises. It also establishes standards for related disclosures about products and service, geographic areas and major customers. The Group evaluated its business activities that are regularly reviewed by the Group's management, for which discrete financial information is available. As a result of this evaluation, the Group determined that it has two reportable operating segments: analytical instruments and superconducting wire. The analytical instruments business manufactures and distributes enabling life science tools based on its core technology, magnetic resonance. The superconducting wire business manufactures and distributes magnetic wire that is used in the manufacturing of these enabling life science tools.

Total revenue, cost of product revenue, operating income (loss), interest (expense) income, provision for income taxes, and depreciation and amortization for analytical instruments, superconducting wire and the combined group are as follows:

	September 30		December 31		
	2007	2006	2006	2005	2004
	(unaudited)				
Total revenue:					
Analytical instruments	$ 330,988	$ 290,605	$ 417,665	$ 400,553	$ 445,505
Superconducting wire	20,905	22,882	29,289	44,682	41,824
Combined	$ 351,893	$ 313,487	$ 446,954	$ 445,235	$ 487,329
Cost of product revenue:					
Analytical instruments	$ 191,593	$ 158,252	$ 217,542	$ 207,007	$ 247,000
Superconducting wire	18,433	22,737	28,767	46,012	41,164
Combined	$ 210,026	$ 180,989	$ 246,309	$ 253,019	$ 288,164
Operating income (loss), net:					
Analytical instruments	$ 53,685	$ 49,898	$ 85,348	$ 106,849	$ 51,880
Superconducting wire	(4,830)	(6,613)	(8,617)	(13,030)	(9,729)
Combined	$ 48,855	$ 43,285	$ 76,731	$ 93,819	$ 42,151
Interest (expense) income, net:					
Analytical instruments	$ 5,881	$ 4,192	$ 6,140	$ 3,770	$ 1,883
Superconducting wire	(106)	(501)	(597)	(1,379)	(1,732)
Combined	$ 5,775	$ 3,691	$ 5,543	$ 2,391	$ 151

	September 30		December 31		
	2007	2006	2006	2005	2004
	(unaudited)				
Provision for income taxes:					
Analytical instruments	$ 10,510	$ 15,437	$ 21,370	$ 26,438	$ 11,775
Superconducting wire	186	68	(255)	158	(40)
Combined	$ 10,696	$ 15,505	$ 21,115	$ 26,596	$ 11,735
Depreciation and amortization:					
Analytical instruments	$ 9,366	$ 8,871	$ 12,085	$ 12,048	$ 14,220
Superconducting wire	1,957	2,140	2,812	2,639	2,659

	September 30		December 31		
Combined	$ 11,323	$ 11,011	$ 14,897	$ 14,687	$ 16,879

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Assets for analytical instruments, superconducting wire and the combined group are provided below:

	September 30 2007	December 31 2006	December 31 2005
	(unaudited)		
Property, plant and equipment, net:			
Analytical instruments	$ 95,294	$ 93,890	$ 87,851
Superconducting wire	7,110	6,203	5,917
Combined	$ 102,404	$ 100,093	$ 93,768
Capital expenditures:			
Analytical instruments	$ 5,112	$ 11,884	$ 13,117
Superconducting wire	1,604	1,496	1,483
Combined	$ 6,716	$ 13,380	$ 14,600
Net deferred tax liability:			
Analytical instruments	$ 5,505	$ (5,097)	$ (3,245)
Superconducting wire	(194)		(234)
Combined	$ 5,311	$ (5,097)	$ (3,479)
Total assets:			
Analytical instruments	$ 760,103	$ 728,460	$ 693,217
Superconducting wire	32,826	34,209	34,676
Combined	$ 792,929	$ 762,669	$ 727,893

Net income of companies in the Group outside of the United States was $54,485, $74,985 and $20,663 for the years ended December 31, 2006, 2005 and 2004, respectively.

Information concerning principal geographic areas in which the Group operates is as follows:

	2006	2005	2004
Total revenue:			
Europe	$ 281,249	$ 258,585	$ 277,995
North America	106,686	131,916	146,282
Asia	46,551	46,516	54,766
Rest of world	12,468	8,218	8,286
	$ 446,954	$ 445,235	$ 487,329

Net revenues are attributed to the geographic area based on the location of the sales office receiving the customer order, and not necessarily the location of the customers.

	December 31	
	2006	2005
Long-lived assets (year end):		
Europe	$ 98,819	$ 96,377
North America	5,574	6,218
Asia	4,525	4,519
Rest of world	922	733
	$ 109,840	$ 107,847
Total assets:		
Europe	$ 601,108	$ 585,999
North America	118,824	111,329
Asia	35,453	25,636
Rest of world	7,284	4,929