

INVERNESS MEDICAL INNOVATIONS INC

Form 424B7

November 21, 2007

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**Filed Pursuant to Rules 424(b)(7)  
Registration No. 333-138919**

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed maximum offering price per share (1)</b>	<b>Proposed maximum aggregate offering price (1)</b>	<b>Amount of registration fee (2)</b>
Common Stock, par value \$0.001 per share	2,654,590	\$61.45	\$163,124,556	\$5,008

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933, as amended, based on the average of the high and low prices of Inverness Medical Innovations, Inc. common stock as reported on the American Stock Exchange on November 16, 2007.
- (2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the registrant s

Registration  
Statement on  
Form S-3 (File  
No. 333-138919)  
in accordance  
with Rules 456(b)  
and 457(r) under  
the Securities Act  
of 1933.

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**Prospectus Supplement to Prospectus dated November 22, 2006  
2,654,590 Shares  
INVERNESS MEDICAL INNOVATIONS, INC.  
Common Stock**

This prospectus supplement and the accompanying prospectus relate to the offer and sale by the selling stockholders identified in this prospectus supplement, and any of their pledgees, donees, transferees or other successors in interest, of up to an aggregate of 2,654,590 shares of common stock of Inverness Medical Innovations, Inc. We are filing this prospectus supplement to fulfill our contractual obligation to do so, which we undertook at the time of the original issuance of the shares. We will not receive any of the proceeds from the sale of the common stock by the selling stockholders, but we are bearing the expenses of registration.

Our common stock is listed on the American Stock Exchange under the symbol IMA. On November 16, 2007, the last reported sale price of our common stock on the American Stock Exchange was \$61.75.

**Investing in our common stock involves risks. See Risk Factors beginning on page 2 of this prospectus supplement.**

This prospectus supplement supplements information contained in the accompanying prospectus. This prospectus supplement should be read in conjunction with the prospectus, and is qualified by reference to the prospectus. This prospectus supplement is not complete without, and may only be delivered or utilized in connection with, the prospectus, including any amendments or supplements thereto. The prospectus and this prospectus supplement form a part of a registration statement filed by us with the Securities and Exchange Commission.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus supplement is November 21, 2007

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with any other information. If anyone provides you with different or inconsistent information, you should not rely on it.

This prospectus supplement updates and supplements information in the accompanying prospectus. If the information in this prospectus supplement differs from the information in the accompanying prospectus, you should rely on the information in this prospectus supplement. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement. You should not assume that the information contained in any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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**SUMMARY**

This summary highlights the information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this offering, we encourage you to read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference therein. You should read the following summary together with the more detailed information and consolidated financial statements, including the accompanying notes, included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus.

You should read both this prospectus supplement and the accompanying prospectus together with the additional information described under the heading "Where You Can Find More Information" in the accompanying prospectus.

This prospectus supplement and the accompanying prospectus contain forward-looking statements. You should read the explanation of the qualifications and limitations on such forward-looking statements on page 2 of this prospectus supplement. You should also carefully consider the various risk factors incorporated by reference into this prospectus supplement and the accompanying prospectus from our SEC filings, which risk factors may cause our actual results to differ materially from those indicated by such forward-looking statements. You should not place undue reliance on our forward-looking statements.

Unless the context otherwise requires, all references to we, us, our, our company or the Company in this prospectus supplement and the accompanying prospectus refer collectively to Inverness Medical Innovations, Inc., a Delaware corporation, and its subsidiaries, and their respective predecessor entities for the applicable periods, considered as a single enterprise.

Unless otherwise stated, currency amounts in this prospectus supplement and the accompanying prospectus are stated in United States dollars.

**The Offering**

This prospectus supplement relates to the offering and sale from time to time by the selling stockholders of up to 2,654,590 shares of our common stock that were issued in connection with our acquisition of Agora Parent, Inc. and its wholly owned subsidiary, Alere Medical, Inc.

We are registering the common stock covered by this prospectus supplement in order to fulfill our contractual obligations to do so, which we undertook in connection with the execution of an agreement and plan of merger dated October 24, 2007. Registration of the common stock does not necessarily mean that all or any portion of such stock will be offered for sale by the selling stockholders.

We have agreed to bear the expenses of the registration of the common stock under federal and state securities laws, but we will not receive any proceeds from the sale of any common stock offered under this prospectus.

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**RISK FACTORS**

An investment in our common stock involves a high degree of risk. Before making a decision about investing in our common stock, you should consider carefully the risk factors described in the accompanying prospectus, our most recent annual report on Form 10-K and our subsequently filed quarterly reports on Form 10-Q, in addition to the other information contained in this prospectus supplement, the accompanying prospectus and the documents and information incorporated by reference herein or therein. Each of these risks could adversely affect our business, operating results and financial condition. In such event, the market price of our common stock could decline and you could lose part or all of your investment. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

**SPECIAL STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify these statements by forward-looking words such as may, could, should, would, intend, will, expect, anticipate, believe, or similar words. You should read statements that contain these words carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial condition or state other forward-looking information. There may be events in the future that we are not able to predict accurately or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. We caution investors that all forward-looking statements involve risks and uncertainties, and actual results may differ materially from those we discuss in this prospectus supplement. These differences may be the result of various factors, including those factors referenced in the Risk Factors section in this prospectus supplement. Some important additional factors that could cause our actual results to differ materially from those projected in any such forward-looking statements are as follows:

- economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates, and the potential effect of such fluctuations on revenues, expenses and resulting margins;
- competitive factors, including technological advances achieved and patents obtained by competitors and generic competition;
- domestic and foreign healthcare changes resulting in pricing pressures, including the continuing consolidation among healthcare providers, trends toward managed care and healthcare cost containment and government laws and regulations relating to sales and promotion, reimbursement and pricing generally;

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government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxes, price controls, regulatory approval of new products and licensing; manufacturing interruptions, delays or capacity constraints or lack of availability of alternative sources for components for our products, including our ability to successfully maintain relationships with suppliers, or to put in place alternative suppliers on terms that are acceptable to us;

difficulties inherent in product development, including the potential inability to successfully continue technological innovation, complete clinical trials, obtain and maintain regulatory approvals or clearances of products in the United States and abroad, and the possibility of encountering infringement claims by competitors or others with respect to patent or other intellectual property rights, which can preclude or delay commercialization of a product;

significant litigation adverse to us, including product liability claims, patent infringement claims and antitrust claims;

our ability to comply with regulatory requirements, including the outcome of the Securities and Exchange Commission's, or the SEC's, ongoing investigation into the revenue recognition issues at our Wampole subsidiary disclosed in June 2005 and the ongoing inquiry by the Federal Trade Commission, or the FTC, of our acquisition of the Innovacon business;

product efficacy or safety concerns resulting in product recalls or declining sales;

the impact of business combinations, including acquisitions and divestitures;

our ability to successfully complete and integrate business acquisitions;

the impact of our joint venture transaction with The Procter & Gamble Company, or P&G, on our future financial performance;

our ability to successfully put to use the proceeds we received in connection with the formation of our joint venture with P&G;

our ability to manage our substantial level of indebtedness and to satisfy the financial covenants and other conditions contained in the agreements governing our indebtedness;

our ability to obtain required financing on terms that are acceptable to us; and

the issuance of new or revised accounting standards by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the Public Company Accounting Oversight Board or the SEC.



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The foregoing list sets forth many, but not all, of the factors that could impact our ability to achieve results described in any forward-looking statements. Readers should not place undue reliance on our forward-looking statements. Before you invest in our common stock, you should be aware that the occurrence of the events described above and elsewhere in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference, could seriously harm our business, prospects, operating results and financial condition. We do not undertake any obligation to update any forward-looking statements as a result of future events or developments, except as otherwise required by law.

**USE OF PROCEEDS**

The securities to be offered and sold using this prospectus supplement will be offered and sold by the selling stockholders named in this prospectus supplement. We will not receive any proceeds from the sale of the shares of our common stock covered by this prospectus supplement.

**SELLING STOCKHOLDERS**

The selling stockholders acquired the shares covered by this prospectus supplement from us in connection with our acquisition of Agora Parent, Inc. and its wholly owned subsidiary, Alere Medical, Inc. In connection with our acquisition of Agora, we agreed to file this prospectus supplement covering the shares issued in that transaction. The following table provides information regarding the beneficial ownership of our common stock by the selling stockholders as of November 16, 2007 and upon completion of the sale of all the shares offered under this prospectus supplement. However, this does not necessarily mean that any of the selling stockholders will sell any or all of the shares being registered. For purposes of this table, we have assumed that the selling stockholders will sell all of the shares being offered by this prospectus supplement.

For purposes of the following table, beneficial ownership is determined in accordance with the rules of the SEC. Under the rules, shares of our common stock issuable pursuant to options, warrants or other securities that are currently exercisable or exercisable within 60 days after November 16, 2007 are included in the number of shares beneficially owned by a person or entity named in the table and are deemed outstanding for purposes of computing the percentage ownership of that person or entity. These shares are not, however, deemed outstanding for purposes of computing the percentage ownership of any other person or entity. The inclusion of shares listed as beneficially owned does not constitute an admission of beneficial ownership. We have calculated the percentage beneficially owned based upon 59,223,073 shares of common stock outstanding as of November 15, 2007 plus an additional 2,654,590 shares issued on November 16, 2007 in connection with our acquisition of Agora and Alere.

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<b>Name</b>	<b>Shares</b>		<b>Shares to be Beneficially Owned After Offering</b>	<b>Percentage of Shares</b>
	<b>Beneficially Owned Before Offering</b>	<b>Shares Offered Hereby</b>		
TA X L.P. (1)	1,861,036	1,861,036		*
TA Atlantic and Pacific V L.P. (1)	425,379	425,379		*
TA Investors II L.P. (1)	37,220	37,220		*
TA Strategic Partners Fund A L.P. (1)	16,330	16,330		*
TA Strategic Partners Fund B L.P. (1)	2,931	2,931		*
OneLiberty Fund IV, L.P. (2)	200,340	200,340		*
Stuart Feigin	66,199	66,199		*
Lloyd Investments, L.P. (3)	20,767	20,767		*
Robb and Tiffany Smith Family Trust 2007 (4)	13,936	13,936		*
Michael Majerik (5)	27,714	10,452	17,262	*

\* Represents less than 1% of the outstanding shares of common stock.

- (1) Investment and voting control of TA X L.P., TA Atlantic and Pacific V L.P., TA Investors II L.P., TA Strategic Partners Fund A L.P. and TA Strategic Partners Fund B L.P. (collectively, the TA Associates Funds ) is held by TA Associates, Inc. No stockholder, director or officer of TA Associates, Inc. has sole voting or investment power with respect to our shares of common stock held by the TA Associates Funds. Voting and investment power with respect to such shares is vested in a five-person investment committee consisting of the following employees of TA Associates: Messrs. Jeffrey T. Chambers, Todd R. Crockett, Jonathan M. Goldstein, Roger B. Kafker and C. Kevin Landry.
- (2) Investment and voting control of OneLiberty Fund IV, L.P. is held by its general partner, OneLiberty Partners IV LLC. Edwin M. Kania, Jr. and Stephen J. Ricci are the managing members of OneLiberty Partners IV LLC and share investment and voting power over the shares of our common stock held by OneLiberty Fund IV, L.P.
- (3) Lester John Lloyd and Lynne D. Lloyd are the general partners of Lloyd Investments, L.P. and share investment and voting power over the shares of our common stock held by Lloyd Investments, L.P.
- (4) Robb Smith and Tiffany Smith share investment and voting power over the shares of our common stock held by the Robb and Tiffany Smith Family Trust 2007.
- (5) Mr. Majerik is the Executive Vice President and Chief Sales and Marketing Officer of our wholly owned subsidiary, Alere Medical, Inc.

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**PLAN OF DISTRIBUTION**

The selling stockholders may resell or redistribute the shares of our common stock listed elsewhere in this prospectus supplement from time to time on any stock exchange or automated interdealer quotation system on which the shares are listed, in the over-the-counter market, in privately negotiated transactions, or in any other legal manner, at fixed prices that may be changed, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. Persons who are pledgees, donees, transferees, or other successors in interest of any of the named selling stockholders (including but not limited to persons who receive shares from a named selling stockholder as a gift, partnership distribution or other non-sale-related transfer after the date of this prospectus supplement) may also use this prospectus supplement and are included when we refer to selling stockholders in this prospectus supplement. Selling stockholders may sell the shares of our common stock by one or more of the following methods, without limitation:

block trades (which may include cross trades) in which the broker or dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker or dealer as principal and resale by the broker or dealer for its own account;

an exchange distribution or secondary distribution in accordance with the rules of any stock exchange on which the shares are listed;

ordinary brokerage transactions and transactions in which the broker solicits purchases;

an offering at other than a fixed price on or through the facilities of any stock exchange on which the shares are listed or to or through a market maker other than on that stock exchange;

privately negotiated transactions, directly or through agents;

short sales;

through the writing of options on the shares, whether or not the options are listed on an options exchange;

through the distribution of the shares by any selling stockholder to its partners, members or stockholders;

agreements between a broker or dealer and one or more of the selling stockholders to sell a specified number of the shares at a stipulated price per share; and

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any combination of any of these methods of sale or distribution, or any other method permitted by applicable law.

The selling stockholders may also transfer the shares by gift. We do not know of any current arrangements by the selling stockholders for the sale or distribution of any of the shares.

The selling stockholders may engage brokers and dealers, and any brokers or dealers may arrange for other brokers or dealers to participate in effecting sales of the shares. These brokers or dealers may act as principals, or as an agent of a selling stockholder. Broker-dealers may agree with a selling stockholder to sell a specified number of the shares at a stipulated price per share. If the broker-dealer is unable to sell shares acting as agent for a selling stockholder, it may purchase as principal any unsold shares at the stipulated price. Broker-dealers who acquire shares as principals may thereafter resell the shares from time to time in transactions on any stock exchange or automated interdealer quotation system on which the shares are then listed, at prices and on terms then prevailing at the time of sale, at prices related to the then-current market price or in negotiated transactions. Broker-dealers may use block transactions and sales to and through broker-dealers, including transactions of the nature described above. The selling stockholders may also sell the shares in accordance with Rule 144 under the Securities Act of 1933, as amended, rather than pursuant to this prospectus supplement, regardless of whether the shares are covered by this prospectus supplement.

From time to time, one or more of the selling stockholders may pledge, hypothecate or grant a security interest in some or all of the shares owned by them. The pledgees, secured parties or persons to whom the shares have been hypothecated will, upon foreclosure in the event of default, be deemed to be selling stockholders. The number of a selling stockholder's shares offered under this prospectus supplement will decrease as and when it takes such actions. The plan of distribution for that selling stockholder's shares will otherwise remain unchanged. In addition, a selling stockholder may, from time to time, sell the shares short, and, in those instances, this prospectus supplement may be delivered in connection with the short sales and the shares offered under this prospectus supplement may be used to cover short sales.

The selling stockholders and any brokers, dealers or agents that participate in the distribution of the shares may be deemed to be underwriters within the meaning of the Securities Act of 1933, and any discounts, concessions, commissions or fees received by them and any profit on the resale of the shares sold by them may be deemed to be underwriting discounts and commissions.

In addition, the selling stockholders may enter into derivative or hedging transactions with third parties, including without limitation broker-dealers, or sell shares not covered by this prospectus supplement to third parties in privately negotiated transactions. In connection with such transactions, a third party may sell shares covered by and pursuant to this prospectus supplement and an additional prospectus supplement, including, without limitation, in connection with a distribution of the shares by a broker-dealer. In such cases, the third party may use shares borrowed from the selling stockholder or others to settle such sales and may use shares received from the selling stockholders to close out any related short positions. A selling stockholder may enter into option or other transactions with broker-dealers that involve the delivery of the shares offered hereby to the broker-dealers, who may then resell or otherwise

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transfer those shares. A selling stockholder may also loan or pledge shares covered by this prospectus supplement and an additional prospectus supplement to third parties, including without limitation broker-dealers, who may sell the loaned shares or, in an event of default in the case of a pledge, sell the pledged shares pursuant to this prospectus supplement and the applicable additional prospectus supplement.

The selling stockholders and other persons participating in the sale or distribution of the shares will be subject to applicable provisions of the Securities Exchange Act of 1934 and the related rules and regulations adopted by the SEC, including Regulation M. This regulation may limit the timing of purchases and sales of any of the shares by the selling stockholders and any other person. The anti-manipulation rules under the Securities Exchange Act of 1934 may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the shares to engage in market-making activities with respect to the particular shares being distributed for a period of up to five business days before the distribution. These restrictions may affect the marketability of the shares and the ability of any person or entity to engage in market-making activities with respect to the shares.

We have agreed to indemnify the selling stockholders and their respective officers, directors and control persons against specified liabilities, including liabilities under the federal securities laws in connection with the use of this prospectus supplement. The selling stockholders have agreed to indemnify us and our officers, directors and control persons against specified liabilities arising from information provided by the selling stockholder for use in this prospectus supplement, including liabilities under the federal securities laws. The selling stockholders may agree to indemnify any brokers, dealers or agents who participate in transactions involving sales of the shares against specified liabilities arising under the federal securities laws in connection with the offering and sale of the shares.

The shares offered hereby were originally issued to the selling stockholders pursuant to an exemption from the registration requirements of the Securities Act of 1933. We agreed to register the resale of the shares under the Securities Act of 1933 and to keep the registration statement of which this prospectus supplement is a part effective until the earlier of (i) November 16, 2009 or (ii) the earliest date on which each selling stockholder either ceases to hold any shares covered by the registration statement to which this prospectus supplement relates or is eligible to sell all such stockholder's covered shares within a 90-day period under Rule 144 of the Securities Act. We have agreed to pay all of our expenses in connection with this offering, but not including discounts, concessions, commissions or fees of the selling stockholders.

We will not receive any proceeds from sales of any shares by the selling stockholders.

We can not assure you that the selling stockholders will sell all or any portion of the shares offered hereby.

We will supply the selling stockholders and any stock exchange upon which the shares are listed with reasonable quantities of copies of this prospectus supplement and the accompanying prospectus. To the extent required by Rule 424 under the Securities Act of 1933

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in connection with any resale or redistribution by a selling stockholder, we will file an additional prospectus supplement setting forth:

the aggregate number of shares to be sold;

the purchase price;

the public offering price;

if applicable, the names of any agent or broker-dealer; and

any applicable commissions, discounts, concessions, fees or other items constituting compensation to agents or broker-dealers with respect to the particular transaction (which may exceed customary commissions or compensation).

If a selling stockholder notifies us that a material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange, distribution or secondary distribution or a purchase by a broker or dealer, the additional prospectus supplement will include any other facts that are material to the transaction. If applicable, this may include a statement to the effect that the participating broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus supplement.

**EXPERTS**

The consolidated financial statements of our company as of December 31, 2005 and 2006, and for each of the years in the period then ended, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2006, incorporated by reference in the registration statement of which this prospectus supplement and the accompanying prospectus are a part have been audited by BDO Seidman, LLP, an independent registered public accounting firm, to the extent and for the periods set forth in their reports incorporated herein by reference, and are incorporated herein in reliance upon such reports given upon the authority of said firm as experts in auditing and accounting.

The financial statements of Cholestech Corporation as of March 31, 2006 and 2007, and for each of the three years in the period ended March 31, 2007, and Cholestech management's assessment of the effectiveness of internal control over financial reporting as of March 31, 2007, incorporated by reference in the registration statement of which this prospectus supplement and the accompanying prospectus are a part have been audited by PricewaterhouseCoopers LLP, Cholestech's independent registered public accounting firm, to the extent and for the periods set forth in its report incorporated herein by reference, and are incorporated herein in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Biosite Incorporated as of December 31, 2005 and 2006, and for each of the three years in the period ended December 31, 2006 incorporated by reference in the registration statement of which this prospectus supplement and the

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accompanying prospectus are a part have been audited by Ernst & Young LLP, Biosite's independent registered public accounting firm, to the extent and for the periods set forth in its report incorporated herein by reference, and are incorporated herein in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

The combined balance sheets of Instant Technologies, inc. and affiliates as of December 31, 2005 and 2006 and combined statements of income, general and administrative expenses, retained earnings, cash flows and supplementary information for the years ended December 31, 2005 and 2006, incorporated by reference in the registration statement of which this prospectus supplement and the accompanying prospectus are a part have been audited by Colby & Company, PLC, Instant Technologies' independent registered public accounting firm, to the extent and for the periods set forth in its report incorporated herein by reference, and are incorporated herein in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

**LEGAL MATTERS**

The validity of the shares we are offering will be passed upon by Jay McNamara, Esq., our Senior Counsel, Corporate & Finance. Mr. McNamara owns an aggregate of approximately 2,663 shares of our common stock, as well as options to purchase an additional 20,079 shares of our common stock.

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**Prospectus**

**INVERNESS MEDICAL INNOVATIONS, INC.**

**Warrants**

**Stock Purchase Contracts**

**Units**

**Common Stock**

**Preferred Stock**

**Depositary Shares**

This prospectus provides you with a general description of equity securities that Inverness Medical Innovations, Inc. may offer and sell from time to time. Each time we sell securities we will provide a prospectus supplement that will contain specific information about the terms of that sale and may add to or update the information in this prospectus. You should read this prospectus and any applicable prospectus supplement carefully before you invest in our securities.

Inverness Medical Innovations, Inc. may offer and sell these securities to or through one or more underwriters, dealers and/or agents on a continuous or delayed basis.

Our common stock is listed on the American Stock Exchange under the symbol IMA. On November 21, 2006 the last reported sale price of our common stock on the American Stock Exchange was \$40.20.

**Investing in our securities involves various risks. In our filings with the Securities and Exchange Commission, which are incorporated by reference in this prospectus, we identify and discuss risk factors that you should consider before investing in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is November 22, 2006

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**ABOUT THIS PROSPECTUS**

This document is called a prospectus, and it provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and in a prospectus supplement, you should rely on the information in that prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

The Company has filed a registration statement with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf process, we may offer and sell any combination of the securities described in this prospectus in one or more offerings.

Our SEC registration statement containing this prospectus, including exhibits, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC's web site or at the SEC's offices. The SEC's web site and street addresses are provided under the heading **Where You Can Find More Information**.

When acquiring securities, you should rely only on the information provided in this prospectus and in the related prospectus supplement, including any information incorporated by reference. No one is authorized to provide you with information different from that which is contained, or deemed to be contained, in the prospectus and related prospectus supplement. We are not offering the securities in any state where the offer is prohibited. You should not assume that the information in this prospectus, any prospectus supplement or any document incorporated by reference is truthful or complete as of any date other than the date indicated on the cover page of these documents.

This prospectus contains forward-looking statements. You should read the explanation of the qualifications and limitations on such forward-looking statements on page 2 of this prospectus. You should also carefully consider the various risk factors incorporated by reference into this prospectus from our SEC filings, which risk factors may cause our actual results to differ materially from those indicated by such forward-looking statements. You should not place undue reliance on our forward-looking statements.

Unless the context otherwise requires, all references to we, us, our, our company or the Company in this prospectus refer collectively to Inverness Medical Innovations, Inc., a Delaware corporation, and its subsidiaries, and their respective predecessor entities for the applicable periods, considered as a single enterprise.

Unless otherwise stated, currency amounts in this prospectus and any prospectus supplement are stated in United States dollars.

**ABOUT INVERNESS MEDICAL INNOVATIONS, INC.**

We are a leading global developer, manufacturer and marketer of in vitro diagnostic products for the over-the-counter pregnancy and fertility/ovulation test market and the professional rapid diagnostic test market. Our business is organized into three reportable segments: consumer diagnostic products, professional diagnostic products and vitamins and nutritional supplements. Through our consumer diagnostic products segment, we hold a leadership position in the worldwide over-the-counter pregnancy and fertility/ovulation test market. We sell our pregnancy and fertility/ovulation test products in the premium branded sector, the value branded sector and the private label sector.

Through our professional diagnostics segment, we develop, manufacture and market an extensive array of innovative rapid diagnostic test products and other in vitro diagnostic tests to medical professionals and laboratories for detection of infectious diseases, drugs of abuse and pregnancy. We also manufacture and market a variety of vitamins and nutritional supplements under our brands and those of private label retailers primarily in the U.S. consumer market. We have grown our businesses by leveraging our strong intellectual property portfolio and making selected strategic acquisitions. Our consumer and professional

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diagnostic products are sold in approximately 90 countries through our direct sales force and an extensive network of independent global distributors.

Inverness Medical Innovations, Inc. is a Delaware corporation. Our principal executive offices are located at 51 Sawyer Road, Suite 200, Waltham, Massachusetts 02453 and our telephone number is (781) 647-3900. Our website is <http://www.invernessmedical.com>. The information found on our website is not part of this prospectus. Our common stock is listed on the American Stock Exchange under the symbol IMA.

**RATIO OF EARNINGS TO FIXED CHARGES**

Our consolidated ratio of earnings to fixed charges is as follows for the periods indicated:

	Nine Months Ended			Year Ended December 31,			
	September 30, 2006 (Unaudited)	2005	2005	2004 (Restated)	2003 (Restated)	2002	2001
<b>Ratio of Earnings to Fixed Charges</b>	0.2x	0.6x	0.5x	0.4x	2.0x		

- (1) For the purpose of computing the ratio of earnings to fixed charges, earnings consist of income (loss) before taxes plus fixed charges. Fixed charges consist of interest expense, redemption interest, dividends of preferred stock and the portion of rent expense deemed to represent interest.
- (2) Due to the loss from operations for the nine months ended September 30, 2006 and 2005 and the years ended December 31, 2005, 2004, 2002 and 2001, there were insufficient earnings of \$19.4 million, \$6.5 million, \$12.4 million, \$14.3 million, \$19.2 million and \$22.7 million, respectively, to cover fixed charges.

**SPECIAL STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify these statements by forward-looking words such as may, could, should, would, intend, will, expect, anticipate, believe, continue or similar words. You should read statements that contain these words carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial condition or state other forward-looking information. There may be events in the future that we are not able to predict accurately or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. We caution investors that all forward-looking statements involve risks and uncertainties, and actual results may differ materially from those we discuss in this prospectus. These differences may be the result of various factors, including those factors identified from time to time in our periodic filings with the SEC. Some important factors that could cause our actual results to differ materially from those projected in any such forward-looking statements are as follows:

economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates, and the potential effect of such fluctuations on revenues, expenses and resulting margins;

competitive factors, including technological advances achieved and patents attained by competitors and generic competition;

domestic and foreign healthcare changes resulting in pricing pressures, including the continued consolidation among healthcare providers, trends toward managed care and healthcare cost containment and government laws and regulations relating to sales and promotion, reimbursement and pricing generally;

government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxes, price controls, regulatory approval of new products and licensing;

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manufacturing interruptions, delays or capacity constraints or lack of availability of alternative sources for components for our products, including our ability to successfully maintain relationships with suppliers, or to put in place alternative suppliers on terms that are acceptable to us;

difficulties inherent in product development, including the potential inability to successfully continue technological innovation, complete clinical trials, obtain regulatory approvals or clearances in the United States and abroad and the possibility of encountering infringement claims by competitors with respect to patent or other intellectual property rights which can preclude or delay commercialization of a product;

significant litigation adverse to us including product liability claims, patent infringement claims and antitrust claims;

our ability to comply with regulatory requirements, including the outcome of the SEC's ongoing investigation into the revenue recognition issues at our Wampole subsidiary disclosed in June 2005 and the ongoing inquiry by the Federal Trade Commission into our acquisition of certain assets from Acon Laboratories;

product efficacy or safety concerns resulting in product recalls or declining sales;

the impact of business combinations and organizational restructurings consistent with evolving business strategies;

our ability to reach a definitive agreement with The Procter & Gamble Company regarding the proposed joint venture transaction that we have previously announced and our ability to complete the proposed joint venture;

our ability to satisfy the financial covenants and other conditions contained in the agreements governing our indebtedness;

our ability to obtain required financing on terms that are acceptable to us; and

the issuance of new or revised accounting standards by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the Public Company Accounting Oversight Board or the SEC.

The foregoing list sets forth many, but not all, of the factors that could impact upon our ability to achieve results described in any forward-looking statements. Readers should not place undue reliance on our forward-looking statements. Before you invest in our securities, you should be aware that the occurrence of the events described above and elsewhere in this prospectus could harm our business, prospects, operating results and financial condition. We do not undertake any obligation to update any forward-looking statements as a result of future events or developments.

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**HOW WE INTEND TO USE THE PROCEEDS**

We currently intend to use the net proceeds from the sale of any securities under this prospectus for general corporate purposes, which may include:

- the repayment of debt;
- the possible repurchase of our common stock;
- the financing of potential investments;
- working capital; and
- other purposes as mentioned in any prospectus supplement.

Pending such use, we may temporarily invest the net proceeds. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds. Except as mentioned in any prospectus supplement, specific allocations of the proceeds to such purposes will not have been made at the date of that prospectus supplement.

Based upon our historical and anticipated future growth and our financial needs, we may engage in additional financings of a character and amount that we determine as the need arises.

**DESCRIPTION OF WARRANTS WE MAY OFFER**

*Please note that in the sections entitled Description of Warrants We May Offer, Description of Stock Purchase Contracts We May Offer, Description of Units We May Offer, Description of Common Stock We May Offer, Description of Preferred Stock We May Offer and Description of Depositary Shares We May Offer, references to we, our and us refer only to Inverness Medical Innovations, Inc. and not to its consolidated subsidiaries. This section outlines some of the provisions of each warrant agreement pursuant to which warrants may be issued, the warrants or rights, and any warrant certificates. This information may not be complete in all respects and is qualified entirely by reference to any warrant agreement with respect to the warrants of any particular series. The specific terms of any series of warrants will be described in the applicable prospectus supplement. If so described in the prospectus supplement, the terms of that series of warrants may differ from the general description of terms presented below.*

We may issue warrants. We may issue these securities in such amounts or in as many distinct series as we wish. This section summarizes the terms of these securities that apply generally. Most of the financial and other specific terms of any such series of securities will be described in the applicable prospectus supplement. Those terms may vary from the terms described here.

When we refer to a series of securities in this section, we mean all securities issued as part of the same series under any applicable indenture, agreement or other instrument. When we refer to the applicable prospectus supplement, we mean the prospectus supplement describing the specific terms of the security you purchase. The terms used in the applicable prospectus supplement generally will have the meanings described in this prospectus, unless otherwise specified in the applicable prospectus supplement.

**Warrants**

We may issue warrants, options or similar instruments for the purchase of our preferred stock, common stock, depositary shares or units. We refer to these collectively as warrants. Warrants may be issued independently or together with preferred stock, common stock, depositary shares or units, and may be attached to or separate from those securities.

### **Agreements**

Each series of warrants may be evidenced by certificates and may be issued under a separate indenture, agreement or other instrument to be entered into between us and a bank that we select as agent with respect to such series. The warrant agent will act solely as our agent in connection with the warrant agreement or any



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warrant certificates and will not assume any obligation or relationship of agency or trust for or with any warrant holders. Copies of the forms of agreements and the forms of certificates representing the warrants will be filed with the SEC near the date of filing of the applicable prospectus supplement with the SEC. Because the following is a summary of certain provisions of the forms of agreements and certificates, it does not contain all information that may be important to you. You should read all the provisions of the agreements and the certificates once they are available.

### **General Terms of Warrants**

The prospectus supplement relating to a series of warrants will identify the name and address of the warrant agent, if any. The prospectus supplement will describe the terms of the series of warrants in respect of which this prospectus is being delivered, including:

the offering price;

the designation and terms of any securities with which the warrants are issued and in that event the number of warrants issued with each security or each principal amount of security;

the dates on which the right to exercise the warrants will commence and expire, and the price at which the warrants are exercisable;

the amount of warrants then outstanding;

material U.S. federal income tax consequences of holding or exercising these securities; and

any other terms of the warrants.

Warrant certificates may be exchanged for new certificates of different denominations and may be presented for transfer of registration and, if exercisable for other securities or other property, may be exercised at the warrant agent's corporate trust office or any other office indicated in the prospectus supplement. If the warrants are not separately transferable from any securities with which they were issued, an exchange may take place only if the certificates representing the related securities are also exchanged. Prior to exercise of any warrant exercisable for other securities or other property, warrant holders will not have any rights as holders of the underlying securities, including the right to receive any principal, premium, interest, dividends, or payments upon our liquidation, dissolution or winding up or to exercise any voting rights.

### ***Modification Without Consent***

We and the applicable warrant agent may amend any warrant or warrant agreement without the consent of any holder:

to cure any ambiguity;

to correct or supplement any defective or inconsistent provision; or

to make any other change that we believe is necessary or desirable and will not adversely affect the interests of the affected holders in any material respect.

We do not need any approval to make changes that affect only warrants to be issued after the changes take effect. We may also make changes that do not adversely affect a particular warrant in any material respect, even if they adversely affect other warrants in a material respect. In those cases, we do not need to obtain the approval of the holder of the

unaffected warrant; we need only obtain any required approvals from the holders of the affected warrants.