VIISAGE TECHNOLOGY INC
Form S-4/A
July 10, 2006
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As filed with the Securities and Exchange Commission on July 7, 2006

Registration No. 333-131843

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3 to

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

VIISAGE TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**7373**	**04-3320515**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

296 Concord Road,

Billerica, MA 01821

(978)-932-2200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of

Registrant s Principal Executive Offices)

Bernard C. Bailey

Chief Executive Officer

Viisage Technology, Inc.

296 Concord Road, Third Floor

Billerica, MA 01821

(978) 932-2200

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With Copies to:

Charles J. Johnson, Esq.	**Elliot J. Mark, Esq.**	**Mark S. Molina, Esq.**	**Richard A. Peers, Esq.**
Frederick P. Callori, Esq.	**Senior Vice President and General Counsel**	**Chief Legal Officer and Secretary**	**Kyle Guse, Esq.**
Choate, Hall & Stewart LLP	**Viisage Technology, Inc.**	**Identix Incorporated**	**Heller Ehrman LLP**
Two International Place	**296 Concord Road**	**5600 Rowland Road, Suite 205**	**275 Middlefield Road**
Boston, MA 02210	**Third Floor**	**Minnetonka, MN 55343**	**Menlo Park, California 94025-3506**
(617) 248-5000	**Billerica, MA 01821**	**(952) 932-0888**	**(650) 324-7000**
	(978) 932-2200		

Approximate date of commencement of proposed sale of the securities to the public: Upon the closing of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. Viisage may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

[ ], 2006

Dear Viisage and Identix Stockholders:

A MERGER PROPOSAL YOUR VOTE IS IMPORTANT

Viisage Technology, Inc. and Identix Incorporated have agreed to a merger whereby Identix will merge with a subsidiary of Viisage, and Identix will become a wholly owned subsidiary of Viisage. At the closing of the merger, Viisage will change its name to L-1 Identity Solutions, Inc. We are proposing this merger to our respective stockholders because we believe the combined strengths of our two companies will enable us to create a global leader in the identity and security industry.

When the merger is completed, stockholders of Identix will be entitled to receive for each share of Identix common stock 0.473 of a share of Viisage common stock. Approximately [ ] shares of Viisage common stock will be issued in connection with the merger. In addition, approximately [ ] shares will be issuable on exercise of Identix options and [ ] shares issuable on exercise of Identix warrants to be assumed by Viisage. Viisage s common stock is listed on the Nasdaq National Market under the trading symbol VISG and Identix common stock is listed on the Nasdaq National Market under the trading symbol IDNX . On [ ], 2006, the closing price of Viisage common stock was $[ ] and the closing price of Identix common stock was $[ ] per share, each as reported on the Nasdaq National Market.

After careful consideration, the Viisage board of directors recommends that Viisage stockholders vote FOR the proposal to approve the issuance of shares of Viisage common stock in connection with the merger, FOR the proposals to amend Viisage s certificate of incorporation as described in this joint proxy statement/prospectus, FOR the proposal to elect four Class I directors for three year terms, FOR the adoption of Viisage s 2006 Employee Stock Purchase Plan and FOR the ratification of Deloitte & Touche as Viisage s independent registered public accounting firm.

After careful consideration, the Identix board of directors recommends that Identix stockholders vote FOR the proposal to adopt the merger agreement that has been entered into between the parties.

This joint proxy statement/prospectus provides detailed information concerning Viisage, Identix, the merger and proposals related to the merger, the election of four Class I directors to the Viisage board of directors to serve until the annual meeting of stockholders in 2009, the adoption of Viisage s 2006 Employee Stock Purchase Plan and the ratification of Deloitte & Touche as Viisage s independent registered public accounting firm. **We encourage you to read this joint proxy/prospectus, including the section entitled Risk Factors that begins on page 10.**

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the special meeting of stockholders of your company, please submit a proxy as soon as possible to make sure your shares are represented at your company s special meeting. Please take the time to submit your proxy by following the instructions presented by your company in this joint proxy/prospectus.

We strongly support this combination of our companies and join with our boards of directors in recommending that you vote in favor of the proposals described in this joint proxy statement/prospectus.

Bernard C. Bailey	Dr. Joseph J. Atick
President and Chief Executive Officer	*President and Chief Executive Officer*
of Viisage Technology, Inc.	*of Identix Incorporated*

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the issuance of common stock in connection with the merger or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated , 2006, and is first being mailed to stockholders of both Identix and Viisage on or about , 2006.

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Viisage Technology, Inc.

296 Concord Road, Third Floor

Billerica, MA 01821

NOTICE OF SPECIAL MEETING IN LIEU OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On , 2006

To Our Stockholders:

You are cordially invited to attend a special meeting in lieu of an annual meeting of the stockholders of Viisage Technology, Inc., a Delaware corporation, at [ ], Eastern Daylight Time, on , 2006 at 296 Concord Road, Third Floor, Billerica, MA 01821.

At the meeting, you will be asked to:

1. Consider and vote upon a proposal to approve the issuance and reservation for issuance of shares of Viisage common stock to holders of Identix Incorporated securities pursuant to the Agreement and Plan of Reorganization, dated as of January 11, 2006, by and among Viisage, VIDS Acquisition Corp., a wholly owned subsidiary of Viisage, and Identix, as amended on July 7, 2006 and as the same may be further amended from time to time (referred to as the merger agreement and the amendment is referred to as the merger agreement amendment);

2A. Consider and vote upon a proposal to approve an amendment to Viisage s certificate of incorporation to increase the authorized number of shares of common stock of Viisage from 75,000,000 shares, $0.001 par value per share, to 125,000,000 shares, $0.001 par value per share, and correspondingly change Viisage s total number of authorized shares of capital stock from 77,000,000 shares to 127,000,000 shares;

2B. Consider and vote upon a proposal to approve an amendment to Viisage s certificate of incorporation to change Viisage s name to L-1 Identity Solutions, Inc.;

2C. Consider and vote upon a proposal to approve an amendment to Viisage s certificate of incorporation to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment.

2D. Consider and vote upon a proposal to approve an amendment to Viisage s certificate of incorporation to require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment.

2E. Consider and vote upon a proposal to approve an amendment to Viisage s certificate of incorporation to provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage s certificate of incorporation relating to Proposals 2C or 2D;

3. Consider and vote upon an adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals;

4. Elect four Class I directors for three-year terms;

5. To approve the adoption of Viisage s 2006 Employee Stock Purchase Plan;

6. To ratify the selection of Deloitte & Touche LLP as Viisage s independent registered public accounting firm for the year ending December 31, 2006; and

7. Transact such other business as may properly come before the meeting.

While these proposals are being voted upon separately, each of the first six proposals (Proposals 1 through 2E) must be approved in order for any of these six proposals to be implemented.

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The board of directors of Viisage recommends that you vote FOR all ten proposals described above.

Only Viisage stockholders of record at the close of business on June 30, 2006, the record date, are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the special meeting. A list of stockholders eligible to vote at the meeting will be available for your review during our regular business hours at our headquarters in Billerica, Massachusetts for at least ten days prior to the special meeting for any purpose related to the special meeting.

Whether or not you plan to attend the special meeting in person, to ensure that your shares are represented at the special meeting, we encourage you to submit your proxy by telephone, Internet or mail in the enclosed postage-paid envelope. Any executed but unmarked proxy cards will be voted for approval of each of the nine proposals described above. Returning your proxy does not deprive you of your right to attend the special meeting and to vote your shares in person. You may revoke your proxy in the manner described in this joint proxy statement/prospectus at any time before it has been voted at the special meeting.

By Order of the Board of Directors of Viisage Technology, Inc.

Bernard C. Bailey

President and Chief Executive Officer

, 2006

Billerica, Massachusetts

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IDENTIX INCORPORATED

5600 Rowland Road, Suite 205

Minnetonka, MN 55343

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On , 2006

To Our Stockholders:

You are cordially invited to attend a special meeting of stockholders of Identix Incorporated, a Delaware corporation, at the Hotel Sofitel, 5601 West 78th Street, Bloomington, Minnesota 55439 on [ ], 2006 at [ ] a.m., Central Daylight Time.

At the special meeting of stockholders, you will be asked to:

1. Consider and vote upon a proposal to adopt the Agreement and Plan of Reorganization, dated as of January 11, 2006, by and among Viisage, VIDS Acquisition Corp., a wholly owned subsidiary of Viisage, and Identix, as amended on July 7, 2006, and as the same may be further amended from time to time, providing for the merger of VIDS Acquisition Corp. with and into Identix whereby, among other things, each outstanding share of Identix common stock will be converted into the right to receive 0.473 of a share of Viisage common stock; and

2. Consider and vote upon an adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Each of the foregoing items of business is more fully described in this joint proxy statement/prospectus, which we encourage you to read carefully. Stockholders of record at the close of business on June 30, 2006, are entitled to notice of and to vote at the special meeting and any adjournment or postponement thereof. Adoption of the Agreement and Plan of Reorganization will require the affirmative vote of a majority of the outstanding shares of Identix common stock entitled to vote.

The board of directors of Identix recommends that you vote FOR Proposal No. 1 for adoption of the Agreement and Plan of Reorganization and FOR Proposal No. 2 for an adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing Proposal No. 1.

To ensure that your shares are represented at the special meeting, please complete, date and sign the enclosed proxy card and mail it promptly in the postage-paid envelope provided or follow the telephone or Internet proxy submission instructions on the proxy card, whether or not you plan to attend the special meeting in person. Any executed but unmarked proxy cards will be voted for adoption of the Agreement and Plan of Reorganization and approval of Proposal No. 2. You may revoke your proxy in the manner described in the accompanying joint proxy statement/prospectus at any time before it has been voted at the special meeting. Any stockholder attending the special meeting may vote in person even if such stockholder has returned a proxy card or submitted a proxy by telephone or using the Internet.

By Order of the Board of Directors of Identix Incorporated

Dr. Joseph J. Atick

President and Chief Executive Officer

Minnetonka, Minnesota

, 2006

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Identix from documents filed with the Securities and Exchange Commission that are not included in or delivered with this joint proxy statement/prospectus. This joint proxy statement/prospectus does not include some information included in the registration statement on Form S-4 filed with the Securities and Exchange Commission by Viisage, of which this proxy statement/prospectus is a part, or information included in the exhibits to the registration statement.

Viisage and Identix will provide you with copies of this information, without charge, upon written or oral request to:

Viisage Technology, Inc.	Identix Incorporated
296 Concord Road, Third Floor	5600 Rowland Road, Suite 205
Billerica, MA 01821	Minnetonka, Minnesota 55343
Attention: Maureen Todaro	Attention: Damon Wright
Telephone: (978) 932-2438	Telephone: (952) 979-8485

In order for you to receive timely delivery of the documents in advance of the special meetings, such request should be received no later than , 2006 (which is at least five business days before the date of the special meetings). Upon timely request, the information you requested will be mailed to you by first class mail by the next business day.

See Where You Can Find More Information beginning on page 224.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

AND SPECIAL MEETINGS OF STOCKHOLDERS

The following questions and answers are intended to address briefly some commonly asked questions regarding the Viisage and Identix special meetings and the merger. These questions and answers may not address all of the information that may be important to you. Please refer to the more detailed information contained elsewhere in this joint proxy statement/prospectus, the annexes to this joint proxy statement/prospectus and in the documents referred to or incorporated by reference in this joint proxy statement/prospectus.

Q: What is the merger?

A: Viisage and Identix have entered into an Agreement and Plan of Reorganization, dated as of January 11, 2006, as amended on July 7, 2006, (referred to in this joint proxy statement/prospectus as the merger agreement and the amendment is referred to as the merger agreement amendment), that contains the terms and conditions of the proposed business combination of Viisage and Identix. Under the merger agreement, Identix and VIDS Acquisition Corp., a wholly owned subsidiary of Viisage, will merge, with Identix surviving as a wholly owned subsidiary of Viisage (referred to as the merger). The shares of Viisage common stock issued to Identix stockholders in connection with the merger are expected to represent approximately 59% of the outstanding shares of Viisage common stock immediately following the closing of the merger, based on the number of shares of Viisage and Identix common stock outstanding on the Identix record date. Although Viisage will change its name to L-1 Identity Solutions, Inc. at the closing of the merger, L-1 Identity Solutions, Inc. is referred to as Viisage or the combined company in this joint proxy statement/prospectus.

For a more complete description of the merger, see the section entitled The Merger on page 57.

Q: Why are Viisage and Identix merging?

A: Both Viisage and Identix believe that combining the two companies will expand and better serve the addressable market and result in greater long-term growth opportunities than either company has operating alone. The combined company will be able to address its customers needs for end-to-end identity protection solutions and unlock the potential of both organizations strengths in biometrics, credentialing and imaging solutions. Viisage and Identix expect completion of the merger will enable the combined company to:

- blend complementary assets, skills and strengths that will result in a balanced end-to-end product, services and integration provider;
- support the growing market for multiple identity programs and meet rigorous government mandates;
- better serve the needs of customers by providing a comprehensive portfolio of product and service offerings;
- utilize an extensive network and product suite and continue development and deployment of new and improved technologies and equipment;
- take advantage of financial synergies;

have the scale, size and flexibility to better compete in the marketplace; and

be led by an experienced management team.

With its broader product offering and increased scale, the combined company will be strongly positioned to deliver comprehensive solutions for protecting and securing personal identities on a global scale.

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Q: Why am I receiving this joint proxy statement/prospectus?

A. You are receiving this joint proxy statement/prospectus because you have been identified as a stockholder of either Viisage or Identix, and thus you may be entitled to vote at such company s special meeting. This document serves as both a joint proxy statement of Viisage and Identix, used to solicit proxies for the special meetings, and as a prospectus of Viisage, used to offer shares of Viisage common stock in exchange for shares of Identix common stock pursuant to the terms of the merger agreement. This document contains important information about the merger and the special meetings of Viisage and Identix, and you should read it carefully.

Q: What is required to complete the merger?

A. To complete the merger, Viisage stockholders must approve the issuance and reservation for issuance of shares of Viisage common stock in connection with the merger and approve amendments to Viisage s certificate of incorporation to increase the authorized number of shares of common stock; change Viisage s name; grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board, or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two-thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; provide for the approval of two-thirds of the entire board of directors and independent directors to further amend the sections of Viisage s certificate of incorporation relating to the preceding two proposals. The merger agreement provides that the merger (Proposal 1), as well as all of the amendments to Viisage s certificate of incorporation (Proposals 2B through 2E), must be approved as a condition to the merger. Although Viisage and Identix can waive this condition in the event any of Proposals 2B-2E are not approved, Proposals 1 and 2A must be approved in order for the merger to be consummated. Proposals 2B-2E are conditions to the merger because they are designed to reflect board representation between the two companies, subject to the right of stockholders to nominate, elect and remove directors. In addition, Identix stockholders must adopt the merger agreement. In addition to obtaining stockholder approval, Viisage and Identix must satisfy or waive all other closing conditions set forth in the merger agreement. Those conditions include, for example, that Viisage and L-1 Investment Partners, LLC (referred to as L-1) shall have entered into a termination and noncompete agreement in a form satisfactory to Identix. For a more complete discussion of the conditions to the closing, see the section entitled The Merger Agreement Conditions to Completion of the Merger on page 109, and for more information relating to the termination and noncompete agreement, see Certain Relationships and Related Transactions Relationship with L-1 Investment Partners, LLC on page 215.

Q: What will Identix stockholders be entitled to receive pursuant to the merger?

A. If the merger is completed, Identix common stockholders will be entitled to receive 0.473 shares of Viisage common stock for each outstanding share of Identix common stock they hold at the time of the closing of the merger and cash in lieu of any fractional shares of Viisage common stock otherwise issuable in connection with such conversion.

Based on the exchange ratio and the number of shares of Identix common stock outstanding as of the Identix record date, a total of approximately 42.5 million shares of Viisage common stock will be issued in connection with the merger to holders of Identix common stock.

For a more complete description of what Identix stockholders will receive in the merger, see the section entitled The Merger Agreement Consideration to be Received in Connection with the Merger; Treatment of Stock Options on page 100.

Q. Why does Viisage need to amend its certificate of incorporation?

A.

The amendment to Viisage s certificate of incorporation authorizing additional shares of common stock is required by the merger agreement and is necessary for Viisage to have enough authorized common stock to

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close the merger and have the flexibility to meet business needs and take advantage of opportunities as they arise. The additional shares would also be available for other corporate purposes, such as acquisitions of businesses and for Viisage s employee benefit plans. In addition, as required by the merger agreement, Viisage is also proposing to amend its certificate of incorporation to change Viisage s name; to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board, or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; and provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage s certificate of incorporation relating to the preceding two proposals.

Q: How does Viisage s board of directors recommend that I vote?

A. After careful consideration, Viisage s board of directors recommends that Viisage stockholders vote FOR Proposal No. 1 to approve the issuance and reservation for issuance of shares of Viisage common stock in connection with the merger, FOR Proposals No. 2A-2E to approve amendments to Viisage s certificate of incorporation to increase the authorized number of shares of common stock of Viisage from 75,000,000 shares to 125,000,000 shares, and correspondingly change Viisage s total number of authorized shares of capital stock from 77,000,000 shares to 127,000,000 shares; change Viisage s name; to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; and provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage s certificate of incorporation relating to the preceding two proposals; FOR Proposal No. 3 to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals; FOR Denis K. Berube, B.G. Beck, Charles E. Levine and George J. Tenet, the proposed nominees for election to Class I of the Viisage board of directors; FOR Proposal No. 5 to approve the adoption of Viisage s 2006 Employee Stock Purchase Plan; and FOR Proposal No. 6 to ratify the selection of Deloitte & Touche LLP as Viisage s independent registered public accounting firm for the year ending December 31, 2006. While Proposal No. 1 and Proposals No. 2A-2E are being voted upon separately, each of these six proposals relates to the merger and must be approved in order for any of them to be implemented.

Q: Do the directors, executive officers, principal stockholders and affiliates of Viisage have interests in the merger that are different from mine?

In considering the Viisage board of directors recommendation that you vote to approve Proposals 1, 2A-2E and 3, you should be aware that some Viisage officers, directors, principal stockholders and affiliates may have interests in the merger that are different from, or in addition to, your interests. Among other things, these interests include:

- the vesting of options and restricted shares held by directors and officers of Viisage that will be accelerated upon completion of the merger in accordance with the terms of the option agreements, restricted stock agreements and the applicable stock based compensation plan;

- Viisage will continue certain indemnification arrangements for persons serving as directors and officers prior to the time of the merger;

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pursuant to an employment agreement to be entered into with the combined company, Mohamed Lazzouni, current Chief Technology Officer and Senior Vice President of Viisage, will serve as Chief Technology Officer of the combined company;

pursuant to a separation agreement to be entered into with Viisage, Bernard C. Bailey, current Chief Executive Officer of Viisage, will receive, subject to the consummation of the merger, one lump sum severance payment of $530,000 to be paid on January 1, 2007, which is equal to 12 months current base salary plus a target bonus of $200,000; a prorated bonus payment for 2006 based on a current target bonus of $200,000 to be paid on the termination date, as defined in the separation agreement; in connection with his agreement to expand the scope of his non-competition arrangement with Viisage, a payment of $530,000; on the first pay period following the closing of the merger, an integration incentive bonus of $105,000; and, because the merger constitutes a change of control as defined in his standing option agreements, all of Mr. Bailey s stock options and restricted stock grants will immediately vest in full, and, pursuant to his severance agreement, will be exercisable for 12 months from the termination date;

pursuant to a separation agreement to be entered into with Viisage, Bradley T. Miller, current Chief Financial Officer of Viisage, will receive, subject to the consummation of the merger, a lump sum severance payment in an amount of $225,000, which is equal to 12 months current base salary; a prorated bonus payment for 2006 based on a current target bonus of $100,000; on the first pay period following the closing of the merger, an integration incentive bonus of $20,000; and, because the merger constitutes a change of control as defined in his standing option agreements, all of Mr. Miller s stock options and restricted stock grants will immediately vest in full, and, pursuant to his severance agreement, will be exercisable for twelve months from the termination date;

until the effective time of the merger, each current independent Viisage board member will receive compensation of $60,000 per annum, of which up to $20,000 may be paid in cash and the balance paid in stock, and committee chairs will receive additional compensation in the same amounts paid in 2005;

Viisage board members who do not continue as directors of Viisage will retire from the Viisage board at the closing of the merger and will (i) be given two years to exercise vested options and (ii) receive a one-time cash payment of $100,000 at the closing of the merger;

the combined company s board of directors will initially consist of thirteen directors, nine of whom will be designated by Viisage, which will include Messrs. LaPenta, Nessen, Gelbard, Berube, Beck and Tenet and Ms. Mouchly-Weiss, current Viisage directors, and two additional directors identified by Viisage who are expected to be named prior to the closing of the merger;

Mr. LaPenta will be appointed as Chairman of the Board, Mr. Nessen will be appointed as chairman of the audit committee and as a member of the nominating and governance committee, Mr. Gelbard will be appointed as chairman of the nominating and governance committee, Mr. Berube and Mr. Tenet will be appointed as members of the compensation committee, and Ms. Mouchly-Weiss will be appointed as a member of the audit and nominating and governance committees of the combined company; and

each member of the Viisage board of directors, each of the executive officers and certain principal stockholders (Lau, Aston and L-1, which are affiliates of certain board members) of Viisage, who together beneficially hold approximately 45.8% of the Viisage common stock outstanding, have entered into voting agreements with Identix, in which they have agreed, in their capacities as stockholders of Viisage, to vote in favor of Proposals 1 and 2A-2E described in this joint proxy statement/prospectus and have granted Identix an irrevocable proxy with respect to such matters. However, in the event the Viisage board of directors changes its recommendation to the stockholders to approve the issuance of Viisage common stock pursuant to the merger and the charter amendments, such obligation to vote shall relate to 50% of the shares subject to the Viisage voting agreements.

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In addition, Aston, which beneficially owns approximately 28.5% of our common stock as of June 30, 2006 (or 29.1% when considered with its affiliate, L-1), and certain affiliates of L-1 and Aston, may have interests in the merger that are different from, or in addition to, your interests. These potential conflicts of interest include:

Robert V. LaPenta, current Chairman of Viisage and an affiliate of L-1 and Aston Capital Partners, L.P., which together beneficially hold as of June 30, 2006 approximately 29.3% of Viisage s outstanding capital stock, will serve as the Chairman of the Board and President and Chief Executive Officer;

James DePalma, Joseph Paresi and Doni Fordyce, who are affiliates of L-1 and Aston Capital Partners, L.P., will serve as the Chief Financial Officer and Treasurer, Chief Sales and Marketing Officer and Executive Vice President, respectively, of the combined company. Subject to the consummation of the merger, Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce will receive initial annual base salaries of $550,000, $325,000, $225,000 and $200,000, respectively, plus certain bonuses, options to purchase an aggregate 800,000 shares of Viisage common stock and other benefits, pursuant to employment agreements to be entered into with Viisage, each commencing at the effective time of the merger and continuing for three years;

in accordance with the terms of an investment agreement between Viisage and Aston, Viisage issued warrants to Aston to purchase an aggregate of 1,600,000 shares of Viisage common stock at an exercise price of $13.75 per share of which 1,280,000 vest on a pro rata basis when and if acquisitions involving the payment of an aggregate consideration of $125 million are consummated by Viisage or upon a change of control of Viisage. Upon closing of the merger, 358,400 previously unvested acquisition-related warrants will vest;

pursuant to a consulting agreement to be entered into between L-1 and Viisage, L-1 will receive a one-time fee of $2.5 million simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and other transactions, including, without limitation, assisting Viisage in (1) analyzing the operations and historical performance of target companies; (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other matters;

Aston and Viisage have reached an agreement in principle whereby Aston has agreed to sell AFIX Technologies, Inc., a portfolio company of Aston which provides fingerprint and palmprint identification software to local law enforcement agencies, to the combined entity at fair market value, which will be determined by an independent appraiser. At the time of this joint proxy statement/prospectus, no other terms of this potential sale have been agreed to and it is subject to the negotiation, execution and delivery of a definitive acquisition agreement mutually acceptable to the parties;

in connection with the relocation of the corporate headquarters of Viisage to the present offices of L-1 in Stamford, Connecticut, Viisage will enter into a sublease with L-1, pursuant to which the combined company will pay the rent and other costs payable by L-1 from the effective time of the merger until the earlier of (i) the expiration or termination of the lease or (ii) unless otherwise mutually agreed to by Viisage and L-1, as promptly as practicable but in no event later than 60 days following the date upon which Mr. LaPenta ceases to be Chief Executive Officer of the combined company for any reason. Viisage estimates the costs related to the sublease to be approximately $720,000 per year; and

in connection with the merger, Viisage entered into an arms-length agreement with Bear Stearns pursuant to which Bear Stearns provided financial advisory services related to the merger. The spouse of Ms. Fordyce is a partner and senior investment banker at Bear Stearns involved with the Viisage engagement and certain employees of Bear Stearns have substantial personal investments in L-1. Pursuant to the letter agreement, Bear Stearns is entitled to a fee of $2.5 million upon the closing of the merger, plus expense reimbursement, as well as exclusive rights to act as underwriter, placement agent and/or financial advisor to Viisage with respect to certain financings and other corporate transactions in the future. Viisage waived any claims it may have against Bear Stearns with respect to any actual or potential conflicts of interest that may arise with respect to these relationships in the context of the Bear Stearns engagement.

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Although the respective parties have agreed on the material terms of the employment agreements for Messrs. LaPenta, DePalma, Paresi and Lazzouni and Ms. Fordyce and the separation agreements for Messrs. Bailey and Miller, each as discussed above, these agreements have not been finalized as of the date of this joint proxy statement/prospectus. Viisage expects to finalize these agreements, as well as the consulting agreement and sublease with L-1, prior to the closing of the merger. For information about the material terms of the compensation arrangements and severance payments, see Employment and Change in Control Arrangements on page 87 of this joint proxy statement/prospectus. For more information about the consulting agreement and sublease to be entered into with L-1, see Certain Relationships and Related Transactions beginning on page 215 of this joint proxy statement/prospectus.

Q: What is the interrelationship among Robert LaPenta, James DePalma, Joseph Paresi, Doni Fordyce, L-1 Investment Partners LLC (L-1), Aston Capital Partners L.P. (Aston), the Integrated Biometric Technology, Inc. (IBT) acquisition and the merger?

A: L-1 is an entity formed on March 31, 2005 by Robert V. LaPenta, James DePalma, Joseph Paresi and Doni Fordyce for the purpose of evaluating investments in the biometrics and identity solutions sector and to act as investment manager for Aston. Aston is a private investment partnership that was formed on October 12, 2005 and its purpose is to make investments primarily in companies that focus on utilizing biometric enabling technologies to provide identification/authentication security solutions as well as related law enforcement security technologies and related industries. Pursuant to the terms of an investment advisory agreement between Aston and L-1, Aston s investments are managed by L-1. In anticipation of the formation of Aston, L-1 entered into an investment agreement with Viisage on October 5, 2005 which was assigned to Aston following its formation on October 12, 2005. Aston consummated its investment in Viisage in December 2005, and as a result, Aston beneficially owns approximately 28.5% of Viisage s outstanding capital stock (or 29.1% when considered with its affiliate, L-1). See the section entitled Recent Developments Aston Investment and IBT Acquisition; Reverse Stock Split on page 9 for more information relating to the investment transaction.

Aston acquired its interest in Viisage to build it into an industry leader through collaborative development and execution of growth strategies through acquisitions. As part of its investment in Viisage, Aston was granted warrants to purchase up to 1,280,000 shares of Viisage common stock which would vest on a pro rata basis when and if acquisitions involving payment of an aggregate consideration of $125 million were consummated by Viisage or upon a change in control of Viisage.

In anticipation of his role as Chairman of Viisage and in order to maximize the value of Aston s investment in Viisage, Robert V. LaPenta and the other principals of L-1 began to actively seek strategic investments for Viisage immediately upon signing the investment agreement in October 2005, subject to review by and the approval of the Viisage Board of Directors. For example, during the pendency of Aston s investment in Viisage, on November 4, 2005, L-1, in its capacity as investment manager to Aston, entered into an agreement with IBT pursuant to which Aston purchased 60% of the outstanding capital stock of IBT, with the right to acquire the remaining 40%. At the time Aston s investment in Viisage was consummated, Aston transferred all of its IBT shares and rights to acquire IBT to Viisage. See the section entitled Recent Developments Aston Investment and IBT Acquisition; Reverse Stock Split for more details relating to the IBT transactions. In addition, on November 9, 2005, Mr. LaPenta had preliminary discussions with a representative of Identix to explore the possibility of a strategic relationship between Viisage and Identix. See the section entitled Viisage Proposal No. 1 and Identix Proposal No. 1 The Merger Background of the Merger on page 57.

Q: How will the merger benefit Robert LaPenta, James DePalma, Joseph Paresi and Doni Fordyce, all of whom are affiliates of L-1 and Aston?

A: Robert LaPenta, current Chairman of Viisage, will serve as the Chairman of the Board and President and Chief Executive Officer of the combined company. James DePalma, Joseph Paresi and Doni Fordyce, who

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are affiliates of L-1 and Aston Capital Partners, L.P., will serve as the Chief Financial Officer and Treasurer, Chief Sales and Marketing Officer and Executive Vice President, respectively, of the combined company. Subject to the consummation of the merger, Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce will receive initial annual base salaries of $550,000, $325,000, $225,000, and $200,000, respectively, plus certain bonuses, options to purchase an aggregate 800,000 shares of common stock of Viisage and other benefits, pursuant to employment agreements to be entered into with Viisage, each commencing at the effective time of the merger and continuing for three years.

Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce directly and indirectly hold all of the beneficial ownership in Aston s general partner and L-1. Accordingly, any benefits to Aston and L-1 will correspondingly benefit Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce. In accordance with the terms of an investment agreement between Viisage and Aston, Viisage issued warrants to Aston to purchase an aggregate of 1,600,000 shares of Viisage common stock at an exercise price of $13.75 per share of which 1,280,000 vest on a pro rata basis when and if acquisitions involving the payment of an aggregate of $125 million are consummated by Viisage or upon a change of control of Viisage. As of the date hereof, 921,600 of the acquisition-related warrants are vested. The remaining 358,400 of the 1,280,000 acquisition-related warrants that have not yet vested will vest at the close of the merger.

Pursuant to a consulting agreement to be entered into between L-1 and Viisage, L-1 will receive a one-time fee of $2.5 million simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and other transactions, including, without limitation, assisting Viisage in (1) analyzing the operations and historical performance of target companies; (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other matters.

Aston and Viisage have reached an agreement in principle whereby Aston has agreed to sell AFIX Technologies, Inc., a portfolio company of Aston which provides fingerprint and palmprint identification software to local law enforcement agencies, to the combined entity at fair market value, which will be determined by an independent appraiser. At the time of this joint proxy statement/prospectus, no other terms of this potential sale have been agreed to and it is subject to the negotiation, execution and delivery of a definitive acquisition agreement mutually acceptable to the parties.

In connection with the relocation of the corporate headquarters of Viisage to the present offices of L-1 in Stamford, Connecticut, Viisage has entered into a sublease with L-1, pursuant to which the combined company will pay the rent and other costs payable by L-1 from the effective time of the merger until the earlier of (i) the expiration or termination of the lease or (ii) unless otherwise mutually agreed to by Viisage and L-1, as promptly as practicable but in no event later than 60 days following the date upon which Mr. LaPenta ceases to be Chief Executive Officer of the combined company for any reason. Viisage estimates the costs related to the sublease to be approximately $720,000 per year.

In connection with the merger, Viisage entered into an arms-length agreement with Bear Stearns pursuant to which Bear Stearns provided financial advisory services related to the merger. The spouse of Ms. Fordyce is a partner and senior investment banker at Bear Stearns involved with the Viisage engagement and certain employees of Bear Stearns have substantial personal investments in L-1. Pursuant to the letter agreement, Bear Stearns is entitled to a fee of $2.5 million upon the closing of the merger, plus expense reimbursement, as well as exclusive rights to act as underwriter, placement agent and/or financial advisor to Viisage with respect to certain financings and other corporate transactions in the future. Viisage waived any claims it may have against Bear Stearns with respect to any actual or potential conflicts of interest that may arise with respect to these relationships in the context of the Bear Stearns engagement.

Although the respective parties have agreed on the material terms of the employment agreements for Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce, these agreements have not been finalized as of the date of this joint proxy statement/prospectus. Viisage expects to finalize these agreements, as well as the consulting agreement and sublease with L-1, prior to the closing of the merger. For information about the material terms of the compensation arrangements and severance payments, see Employment and Change in

Control Arrangements on page 87 of this joint proxy statement/prospectus. For more information about the consulting agreement and sublease to be entered into with L-1, see Certain Relationships and Related Transactions beginning on page 215 of this joint proxy statement/prospectus.

Q: How does Identix board of directors recommend that I vote?

A. After careful consideration, Identix board of directors recommends that the Identix stockholders vote FOR Proposal No. 1 to adopt the merger agreement and FOR Proposal No. 2 to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

For a description of the reasons underlying the recommendation of Identix board, see the sections entitled The Merger Our Reasons for the Merger and Other Factors Considered by the Identix Board on pages 62 and 65 and the section entitled Identix Proposal No. 2 on page 130.

Q: Do the directors, executive officers, principal stockholders and affiliates of Identix have interests in the merger that are different from mine?

A. In considering the Identix board of directors recommendation that you vote to approve Proposals 1 and 2, you should be aware that some of the Identix officers, directors, principal stockholders and affiliates may have interests in the merger that are different from, or in addition to, your interests. Among other things, these interests include:

- Milton Cooper, Malcolm Gudis and John Lawler, current Identix directors, and Boykin Rose will each be appointed as directors of the combined company. Identix appointed directors may appoint an additional director following the consummation of the merger;

- options to purchase shares of Identix common stock and restricted shares of Identix common stock, including those held by officers and directors of Identix, will be assumed by Viisage and will become options to acquire Viisage common stock as adjusted for the exchange ratio of the merger;

- the vesting of the restricted shares held by the non-employee directors of Identix will be accelerated upon completion of the merger in accordance with the terms of the restricted stock agreements and the applicable stock based compensation plan;

- in lieu of transaction-related Identix board meeting and board committee fees until the effective time of the proposed merger, each current independent Identix board member will receive a one-time cash payment of $25,000 at the closing of the proposed merger;

- the three independent Identix directors who are members of the special sub-committee related to the merger (Messrs. Cooper, Gudis and Lawler) will each receive a one-time cash payment of $25,000 and 9,000 shares of restricted stock at the closing of the proposed merger;

- Mr. Cooper will be appointed as chairman of the compensation committee, Mr. Gudis will be appointed as a member of the audit and compensation committees, Mr. Lawler will be appointed as vice chairman of the audit committee and as a member of the nominating and governance committees, and Mr. Rose will be appointed as a member of the compensation and nominating and governance committees of the combined company;

- Identix independent board members who do not continue as directors of Viisage (John Haugo and George Latimer) will retire from the Identix board at the closing of the proposed merger and will receive (i) two years to exercise vested options, and (ii) a one-time cash payment of $100,000 at the closing of the proposed merger;

Messrs. Haugo and Latimer will each enter into one-year consulting agreements with the combined company, pursuant to which they will each receive a fee of $30,000;

Viisage will continue certain indemnification arrangements and maintain a directors and officers liability insurance policy for persons serving as directors and officers of Identix at the time of the merger for a period of six years following the effective time of the merger;

pursuant to an employment agreement to be entered into with the combined company, Dr. Joseph J. Atick, current Chairman and Chief Executive Officer of Identix, will serve as the Corporate Chief Strategic Officer of the combined company;

pursuant to an employment agreement to be entered into with the combined company, Mark S. Molina, current Chief Legal Officer and Secretary of Identix, will serve as Executive Vice President, Chief Legal Officer and Corporate Secretary of the combined company;

pursuant to an employment agreement to be entered into with the combined company, James H. Moar, current Chief Operating Officer of Identix, will serve as President of the Biometrics Division of the combined company;

Elissa J. Lindsoe, current Chief Financial Officer of Identix, has indicated that she will not serve as the Chief Financial Officer of the Biometrics Division of the combined company. Under her employment agreement, Ms. Lindsoe will receive, subject to the consummation of the merger, a cash payment of $315,000 equal to one year base salary plus a bonus of $105,000, insurance coverage and acceleration of vesting of options, which will be exercisable for one year from the termination date;

Identix may, prior to the closing of the proposed merger, pay special one-time performance bonuses in cash to certain employees of Identix, including executive officers of Identix; provided that the aggregate amount of the bonuses will not exceed $500,000;

certain members of the Identix board and executive officers of Identix, who together beneficially hold approximately 4.8% of the Identix common stock outstanding, have entered into voting agreements with Viisage, in which they agreed, in their capacities as stockholders of Identix, to vote in favor of the adoption of the merger agreement and approval of the merger. However, in the event the Identix board of directors changes its recommendation to the stockholders to adopt the merger agreement, such obligation to vote shall relate to 50% of the shares subject to the Identix voting agreements.

The combined company will enter into employment agreements with Messrs. Atick, Molina and Moar with respect to their respective positions at the combined company. For additional information about the compensation arrangements, see Employment and Change in Control Arrangements beginning on page 92 of this joint proxy statement/prospectus.

Q: What stockholder approvals are required for Viisage?

A. The affirmative vote of holders of a majority of the shares of Viisage common stock, present in person or represented by proxy at the special meeting and voting on the matter, is required to approve Proposal No. 1 regarding the issuance and reservation for issuance of Viisage common stock.

The affirmative vote of holders of a majority of the outstanding shares of Viisage common stock is required to approve Proposals No. 2A-2B regarding amendments to Viisage s certificate of incorporation.

The affirmative vote of holders of two-thirds of the outstanding shares of Viisage common stock is required to approve Proposals No. 2C-2E regarding amendments to Viisage s certificate of incorporation.

The affirmative vote of holders of a majority of the shares of Viisage common stock present in person or represented by proxy at the special meeting and voting on the matter is required to approve Proposal No. 3 regarding adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing Proposal No. 1 or Proposals No. 2A-2E.

Directors are elected by a plurality vote, which means that the four directors receiving the most votes under Proposal 4 will be elected to fill the seats on the Viisage board of directors.

The affirmative vote of a majority of the shares of Viisage common stock, present or represented by proxy at the special meeting and voting on the matter, is required to approve Proposal No. 5 regarding adoption of the 2006 Employee Stock Purchase Plan.

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The affirmative vote of holders of a majority of the outstanding shares of Viisage common stock, present or represented by proxy at the special meeting and voting on the matter is required to approve Proposal No. 6 regarding the ratification of Deloitte & Touche LLP as Viisage s independent registered public accounting firm.

All other actions considered at the meeting may be taken upon the favorable vote of a majority of the votes present in person or represented by proxy at the meeting.

The representation, in person or by proxy, of at least a majority of the outstanding shares of common stock entitled to vote at the special meeting is necessary to establish a quorum. Shares of common stock represented in person or by proxy (including broker non-votes (as defined below) and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists. In order to approve any of the proposals or transact any other action at the meeting, a quorum must be present. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

Q: Why does Viisage want to increase the number of authorized shares?

A: Viisage s certificate of incorporation currently does not authorize a sufficient number of shares of common stock to complete the merger. Viisage is currently authorized to issue 75 million shares of common stock and 2 million shares of preferred stock. As of June 30, 2006, 29,083,388 million shares of Viisage common stock were issued and outstanding. Under the terms of the merger agreement, Viisage must issue approximately 42.5 million shares (representing 0.473 shares of common stock for each share of Identix common stock) of common stock in the merger, which would result in approximately 71.6 million shares of Viisage common stock outstanding, in all cases excluding shares that may be issued prior to the merger upon exercise of stock options. Viisage believes that authorizing additional shares of common stock is required to enable Viisage to have sufficient shares of common stock authorized for issuance in the merger pursuant to the 2006 Employee Stock Purchase Plan and upon the exercise of options, warrants and other exchangeable or convertible securities, whether currently outstanding or issued in the future. Viisage also believes that authorizing additional shares of common stock is essential to provide Viisage with the flexibility it needs to meet business needs and take advantage of opportunities as they arise.

Q: How many votes do Viisage stockholders have?

A. Each holder of record of Viisage common stock as of June 30, 2006 will be entitled to one vote for each share of common stock held on that date. As of June 30, 2006, directors and executive officers of Viisage and their affiliates as a group beneficially owned and were entitled to vote approximately 14.1 million shares of Viisage common stock, representing approximately 45.8% of the shares of Viisage common stock outstanding on that date. All of the directors and executive officers of Viisage who are entitled to vote at the special meeting have indicated that they intend to vote their shares of Viisage common stock in favor of adoption of the merger agreement and in favor of all of the merger related proposals. In addition, each member of the Viisage board of directors, each of the executive officers of Viisage and certain principal stockholders (Lau, Aston and L-1, which are affiliates of certain board members), who together beneficially hold approximately 45.8% of the Viisage common stock outstanding, have entered into voting agreements with Identix, in which they have agreed, in their capacities as stockholders of Viisage, to vote in favor of Proposals 1 and 2A-2E described in this joint proxy statement/prospectus and have granted Identix an irrevocable proxy with respect to such matters. However, in the event the Viisage board of directors changes its recommendation to the stockholders to approve the issuance of Viisage common stock pursuant to the merger and the charter amendments, such obligation to vote shall relate to 50% of the shares subject to the Viisage voting agreements. Viisage and Identix added the provision relating to releasing 50% of the shares subject to the voting agreement in the event that the Viisage board changed its recommendation in order to address the concern that the combination of a 45% voting commitment and the inability of Viisage to terminate the merger agreement per its terms could increase the possibility of a claim that such measures were coercive or preclusive and that the board breached its fiduciary duties under Delaware law.

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Q: What stockholder approvals are required for Identix?

A. The affirmative vote of holders of a majority of the voting power of the outstanding shares of Identix common stock is required to approve Proposal No. 1 regarding the adoption of the merger agreement.

The affirmative vote of holders of a majority of the outstanding shares of Identix common stock, present in person or represented by proxy at the special meeting entitled to vote thereon, is required to approve Proposal No. 2 regarding adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing Proposal No. 1.

The representation, in person or by proxy, of at least a majority of the outstanding shares of common stock entitled to vote at the special meeting is necessary to establish a quorum. Shares of common stock represented in person or by proxy (including broker non-votes (as defined below) and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists. In order to approve any of the proposals or transact any other action at the meeting, a quorum must be present. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

Q: How many votes do Identix stockholders have?

A. Each holder of record of Identix common stock as of June 30, 2006 will be entitled to one vote for each share of common stock held on that date. At the close of business on June 30, 2006 directors and executive officers of Identix and their affiliates as a group beneficially owned and were entitled to vote approximately 1,624,256 million shares of Identix common stock, representing approximately 1.8% of the shares of Identix common stock outstanding on that date. All of the directors and executive officers of Identix who are entitled to vote at the special meeting have indicated that they intend to vote their shares of Identix common stock in favor of adoption of the merger agreement and in favor of all of the merger related proposals. Certain members of the Identix board and executive officers of Identix, who together beneficially hold approximately 4.8% of the Identix common stock outstanding, have entered into voting agreements with Viisage, in which they agreed, in their capacities as stockholders of Identix, to vote in favor of the adoption of the merger agreement and approval of the merger. However, in the event the Identix board of directors changes its recommendation to the stockholders to adopt the merger agreement, such obligation to vote shall relate to 50% of the shares subject to the Identix voting agreements. Viisage and Identix added the provision relating to releasing 50% of the shares subject to the voting agreement in the event that the Viisage board changed its recommendation in order to address the concern that the combination of a 45% voting commitment and the inability of Viisage to terminate the merger agreement per its terms could increase the possibility of a claim that such measures were coercive or preclusive and that the board breached its fiduciary duties under Delaware law.

Q: What do I need to do now?

A. We encourage you to read this joint proxy statement/prospectus carefully, including its annexes, and then vote your proxy for the relevant proposals.

If you are a Viisage stockholder, you may vote in person at the Viisage special meeting or submit a proxy using the enclosed proxy card or via the Internet or telephone.

To vote in person, come to the special meeting, and you will be given a ballot when you arrive.

To submit a proxy, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card before the meeting, your shares will be voted as you direct.

If you are a registered stockholder (that is, if you hold your stock in certificate form), you may submit a proxy by telephone or electronically through the Internet by following the instructions included with your proxy card. If your shares are held in street name, please check your proxy card or contact your broker or

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nominee to determine whether you will be able to submit voting instructions by telephone or electronically. The deadline for the submission of voting instructions by telephone or electronically is 11:59 p.m., Eastern Daylight Time, on , 2006.

If you are an Identix stockholder, you may vote in person at the Identix special meeting or vote by proxy using the enclosed proxy card or via the Internet or telephone.

To vote in person, come to the special meeting, and you will be given a ballot when you arrive.

To vote by proxy, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card before the meeting, your shares will be voted as you direct.

If you are a registered stockholder (that is, if you hold your stock in certificate form), you may submit a proxy by telephone or electronically through the Internet by following the instructions included with your proxy card. If your shares are held in street name, please check your proxy card or contact your broker or nominee to determine whether you will be able to submit voting instructions by telephone or electronically. The deadline for the submission of voting instructions by telephone or electronically is 11:59 p.m., Eastern Daylight Time, on , 2006.

Please also see the instructions included with the enclosed proxy card. Regardless of whether you return your proxy card, you may attend the applicable special meeting and vote your shares in person.

Q: If my Viisage shares are held in street name by my broker, will my broker vote my Viisage shares for me?

A: Brokers cannot vote your Viisage shares on the merger related Proposals No. 1 through 3 or on Proposal No. 5 regarding the adoption of Viisage s 2006 Employee Purchase Plan. Therefore, it is important that you follow the directions provided by your broker about how to instruct your broker to vote your shares. If you do not provide instructions to your broker about how to vote your shares on these proposals, your shares will be treated as broker non-votes with respect to these proposals. Even if you do not give your broker instruction as to how to vote on the other proposal to elect directors to the Viisage board, your broker may be entitled to use its discretion in voting your shares in accordance with industry practice.

Q: What happens if I do not vote, abstain from voting, or do not instruct my broker to vote my shares of common stock?

A. The failure of a Viisage stockholder to vote in person or by proxy, abstentions and broker non-votes will not affect the outcome of Viisage Proposal No. 1, Viisage Proposal No. 3, Viisage Proposal No. 5 or Viisage Proposal No. 6, but will have the effect of voting AGAINST Viisage Proposals No. 2A-2E. However, failure to vote, abstentions and broker non-votes on Viisage Proposal No. 1, Viisage Proposal No. 3, Viisage Proposal No. 5 or Viisage Proposal No. 6 will reduce the number of votes required to approve those proposals. While these proposals are being voted upon separately, each of Proposals No. 1 and 2A-2E must be approved in order for any of them to be implemented. With respect to Proposal No. 4, the four nominees receiving the highest number of votes cast at the special meeting will be elected, regardless of whether that number represents a majority of the votes cast. Failure to vote, abstentions and broker non-votes will have no effect on this proposal.

The failure of an Identix stockholder to vote in person or by proxy, abstentions and broker non-votes will have the effect of voting AGAINST Identix Proposal No. 1. The failure of an Identix stockholder to vote in person or by proxy will not affect the outcome of Identix Proposal No. 2. However, failure to vote on Identix Proposal No. 2 will reduce the number of votes required to approve that proposal.

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Q: May I change my vote after I have submitted my proxy?

A. Yes. You may revoke your proxy at any time before your proxy is voted at the special meeting. You can do this in any of three ways:

First, you can send a written, dated notice to the Secretary of Viisage or Identix, as applicable, stating that you would like to revoke your proxy.

Second, you can complete, date and submit a new later-dated proxy card.

Third, you can attend the meeting and vote in person. Your attendance alone will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions.

Q: What are the material federal income tax consequences of the merger to me?

A. The merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as amended, and it is a closing condition to the merger that Viisage and Identix receive opinions of their respective counsel regarding such qualification. As a result of the merger s qualification as a reorganization, Identix stockholders will not recognize income gain or loss for United States federal income tax purposes upon the exchange of shares of Identix common stock for shares of Viisage common stock, except with respect to cash received in lieu of fractional shares of Viisage common stock.

Tax matters are very complicated, and the tax consequences of the merger to a particular stockholder will depend in part on such stockholder s circumstances. Accordingly, we encourage you to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.

For more information, see the section entitled The Merger Material United States Federal Income Tax Considerations on page 96.

Q: Should I send in my Identix stock certificates now?

A. No. After the merger is completed, you will receive written instructions from Viisage or the exchange agent explaining how to exchange your shares of Identix common stock for the merger consideration.

Q: When do you expect the merger to be completed?

A. We anticipate that the closing of the merger will occur in the second calendar quarter of 2006, but we cannot predict the exact timing. For more information, see the section entitled The Merger Agreement Conditions to Completion of the Merger on page 109.

Q: Am I entitled to appraisal rights?

A. Holders of Viisage common stock and Identix common stock are not entitled to appraisal rights under the General Corporation Law of the State of Delaware in connection with the merger. For more information, see the section entitled The Merger No Appraisal Rights on page 98.

Q. How will the merger affect my stock options to acquire Identix common stock and restricted shares?

A. At the effective time of the merger, each outstanding option to purchase Identix common stock will be assumed by Viisage and converted into an option to purchase Viisage common stock. Each outstanding Identix restricted share will be converted into a right to receive restricted shares of Viisage common stock.

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The number of shares of Viisage common stock subject to each assumed option and each restricted share will be equal to the number of shares of Identix common stock subject to the option or restricted share multiplied by the exchange ratio of 0.473, rounded down to the nearest whole number (with no cash being payable for any fractional share eliminated by such rounding). The exercise price per share for shares of Viisage common stock under each assumed option will equal the exercise price for the Identix common stock under the option divided by 0.473, rounded up to the nearest whole cent. After adjusting the assumed options to purchase Identix common stock and the restricted shares to reflect the application of the exchange ratio and the assumptions by Viisage, all other terms of the assumed options and the restricted shares will remain unchanged. Some holders of Identix restricted shares will be entitled to acceleration of vesting upon the closing of the merger. For more information as it relates to some of Identix directors and executive officers, see The Merger Interests of Certain Identix Persons in the Merger on page 90.

Q: Who is paying for this proxy solicitation?

A. Viisage and Identix are jointly conducting this proxy solicitation and will share the cost of soliciting proxies, including the preparation, assembly, printing and mailing of this joint proxy statement/prospectus, the proxy card and any additional information furnished to stockholders. Viisage estimates that its proxy solicitor fees will be approximately $6,000 and Identix estimates that its proxy solicitor fees will be approximately $8,500. We may also reimburse brokerage houses and other custodians, nominees and fiduciaries for their costs of forwarding proxy and solicitation materials to beneficial owners. If you choose to access the proxy materials and/or submit your proxy over the Internet, you are responsible for any related Internet access charges you may incur. If you choose to submit your proxy by telephone, you are responsible for any related telephone charges you may incur.

Q: How can other members of my household who are also stockholders receive separate copies of the joint proxy statement/prospectus?

A: Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements/prospectuses and annual reports. This means that only one copy of our proxy statement/prospectus and annual report to stockholders may have been sent to multiple stockholders in your household. Viisage or Identix, as appropriate, will promptly deliver a separate copy of either document to you if you contact Viisage or Identix at the Investor Relations addresses and telephone numbers listed below. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the below address or telephone number.

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Q: Who can help answer my questions?

A. If you would like to receive additional copies of this joint proxy statement/prospectus, without charge, or if you have questions about the merger or the special meeting, including the procedures for voting your shares, you should contact:

If you are a Viisage Stockholder:	If you are a Identix Stockholder:
Viisage Technology, Inc.	Identix Incorporated
296 Concord Road, Third Floor	5600 Rowland Road
Billerica, Massachusetts 01821	Minnetonka, MN 55343
Attn: Maureen Todaro	Attn: Damon Wright
(978) 932-2438	(952) 979-8485
Viisage has retained the following firm to assist in the solicitation of proxies:	Identix has retained the following firm to assist in the solicitation of proxies:
The Altman Group	D.F. King & Co., Inc.
1200 Wall Street West	48 Wall Street
Third Floor	New York, NY 10005
Lyndhurst, NJ 07071	(800) 829-6551
(210)-806-7300	

You may also obtain additional information about Viisage and Identix from the documents they file with the SEC or by following the instructions in the section entitled Where You Can Find More Information on page 224.

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SUMMARY

The following summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this joint proxy statement/prospectus, including the annexes, and the other documents we refer to or incorporate by reference, for a more complete understanding of the merger and other proposals described in this summary. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled Where You Can Find More Information that begins on page 224 of this joint proxy statement/prospectus.

Viisage Technology, Inc.

296 Concord Road, Third Floor

Billerica, MA 01821

Telephone No. (978) 932-2200

Viisage delivers advanced technology identity solutions for governments, law enforcement agencies and businesses concerned with enhancing security, reducing identity theft, and protecting personal privacy. Viisage solutions include secure credentials such as passports and drivers licenses, biometric technologies for uniquely linking individuals to those credentials, providing fingerprinting products, services and solutions to government, civil, and commercial customers that require criminal background checks and screening and credential authentication technologies to ensure the documents are valid before individuals are allowed to cross borders, gain access to finances, or granted other privileges. With over 3,000 installations worldwide, Viisage s identity solutions stand out as a result of the Company s industry-leading technology and unique understanding of customer needs. Viisage s product suite includes Identity TOOLS(TM) SDK, Viisage PROOF(TM), PIER(TM), FaceEXPLORER(R), iA-thenticate(R), BorderGuard(R), Auto Test(TM), FacePASS(TM) and FaceFINDER(R).

The common stock of Viisage is traded on the Nasdaq National Market (symbol: VISG). Its website can be accessed at *www.viisage.com*. The information on Viisage s website is not a part of this joint proxy statement/prospectus.

Identix Incorporated

5600 Rowland Road

Minnetonka, MN 55343

Telephone No. (952) 932-0888

Identix Incorporated is one of the world s leading multi-biometric technology companies. Identix provides fingerprint, facial and skin biometric technologies, as well as systems, and critical system components that empower the identification of individuals in large-scale ID and ID management programs. Identix offerings include live scan systems and services for biometric data capture, mobile systems for on-the-spot ID, and backend standards-based modules and software components for biometric matching and data mining. Identix products are used to conduct background checks, speed travel and commerce via secure identification documents,

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prevent identity fraud in large-scale government and civil ID programs, and control access to secure areas and networks. With a global network of partners, such as leading system integrators, defense prime contractors and OEMs, Identix serves a broad range of markets including government, law enforcement, gaming, finance, travel, transportation, corporate enterprise and healthcare.

Identix common stock is traded on the Nasdaq National Market (symbol: IDNX). Identix website can be accessed at *www.identix.com*. The information on Identix website is not a part of this joint proxy statement/prospectus.

The Merger (page 57)

In the merger, VIDS Acquisition Corp., a wholly owned subsidiary of Viisage, will merge with and into Identix, and Identix will become a wholly owned subsidiary of Viisage. Holders of Identix common stock, options, restricted shares and warrants will become holders of Viisage common stock, options, restricted shares and warrants following the merger. As a result of the negotiated fixed exchange ratio, which represents a premium over Identix s quoted stock price prior to the announcement of the merger, the shares of Viisage common stock issued to Identix stockholders in connection with the merger are expected to represent approximately 59% of the outstanding shares of Viisage common stock immediately following the closing of the merger, based on the number of shares of Viisage and Identix common stock outstanding on July , 2006. The combined company s board of directors will initially consist of thirteen directors, nine of whom will be designated by Viisage and four of whom will be designated by Identix. Identix appointed directors may appoint an additional director following the consummation of the merger. The exchange ratio was determined as part of the extensive negotiations between the parties with respect to the terms of the merger agreement, including corporate governance matters such as the initial composition of the combined company s board.

Merger Consideration. Upon completion of the merger, each share of Identix common stock will be converted into the right to receive 0.473 shares of Viisage common stock (referred to as the exchange ratio).

Because the exchange ratio is fixed in the merger agreement, the market value of the Viisage common stock that Identix securityholders receive in the merger may vary significantly from that implied by current trading prices.

Treatment of Stock Options, Restricted Shares and Warrants. Upon completion of the merger, each outstanding option to purchase Identix common stock will be assumed by Viisage and converted into an option to purchase Viisage common stock. Each outstanding Identix restricted share will be converted into a right to receive restricted shares of Viisage common stock. Each outstanding Identix warrant to purchase common stock will be assumed by Viisage and converted into a warrant to purchase Viisage common stock.

The number of shares of Viisage common stock subject to each assumed option, restricted share and warrant will be equal to the number of shares of Identix common stock subject to the option, share or warrant multiplied by 0.473, rounded down to the nearest whole number (with no cash being payable for any fractional share). The exercise price per share of Viisage common stock under each assumed option and warrant will equal the exercise price for the Identix common stock under the option or warrant divided by 0.473, rounded up to the nearest whole cent. After adjusting the assumed options, restricted shares and warrants to reflect the application of the exchange ratio, all other terms of the assumed options, restricted shares and warrants will remain unchanged. Some holders of Identix restricted shares will be entitled to acceleration of vesting upon the closing of the merger which is projected to result in stock based compensation expense of approximately $150,000 in such fiscal quarter that the merger closes. For more information as it relates to some of Identix directors and executive officers, see the section entitled The Merger Interests of Certain Identix Persons in the Merger beginning on page 90.

A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. We encourage you to read it carefully.

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Opinion of Financial Advisor to the Board of Directors of Viisage (page 66 and Annex B)

USBX Advisory Services, LLC rendered its oral opinion on January 11, 2006, subsequently confirmed in writing on the same day, to the Viisage board of directors that, as of such date, and based upon and subject to certain matters stated in its opinion, from a financial point of view, the exchange ratio to be paid by Viisage in the merger was fair to holders of Viisage common stock. The full text of USBX Advisory Services written opinion, dated January 11, 2006, is attached as Annex B to this joint proxy statement/prospectus. USBX Advisory Services provided its opinion for the use and benefit of the Viisage board of directors in connection with its consideration of the merger. USBX Advisory Services opinion was not intended to be and did not constitute a recommendation to any stockholder of Viisage or Identix as to how such stockholder should vote with respect to the merger. Although Bear Stearns was hired by Viisage as a financial advisor in connection with the merger, Viisage did not request, and Bear Stearns did not provide, a fairness opinion to the Viisage board of directors.

Opinion of Financial Advisor to the Board of Directors of Identix (page 73 and Annex C)

Janney Montgomery Scott LLC delivered its opinion to Identix board of directors to the effect that, as of January 11, 2006, based upon and subject to the matters set forth in the opinion, the exchange ratio was fair, from a financial point of view, to the holders of Identix common stock. The full text of Janney s written opinion, dated January 11, 2006, is attached as Annex C to this joint proxy statement/prospectus. Janney s provided its opinion to inform and assist Identix board of directors in connection with the board s consideration of the merger. Janney s opinion is not a recommendation as to how any stockholder of Viisage or Identix should vote on the merger.

Amendments to Viisage s Certificate of Incorporation; Recommendation of Viisage s Board (page 114 and Annex D)

The amendment to Viisage s certificate of incorporation authorizing additional shares of common stock is required under the terms of the merger agreement and is necessary to enable Viisage to have enough shares of authorized common stock to close the merger and have the flexibility to meet business needs and opportunities. The amendment would enable Viisage to issue or reserve shares for general corporate purposes that may be identified in the future, such as acquisitions of businesses and Viisage s employee benefit plans, without further stockholder approval. If the Viisage stockholders approve the proposed amendment to the certificate of incorporation, the Viisage board of directors may cause the issuance of additional shares of common stock without further stockholder approval, unless stockholder approval is otherwise required by law or the rules of any securities exchange or inter-dealer quotation system on which the common stock is then listed. The additional shares of common stock would have rights identical to the currently outstanding common stock and no other change in the rights of stockholders is proposed.

In addition, Viisage is also proposing to amend its certificate of incorporation to change Viisage s name; to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; and provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage s certificate of incorporation relating to the preceding two proposals.

The Viisage board of directors recommends a vote FOR Proposals No. 2A-2E to amend the certificate of incorporation.

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Expected Timing of the Merger

The parties anticipate that the closing of the merger will occur in the third calendar quarter of 2006, if Viisage and Identix have received the requisite stockholder approvals.

Conditions to Completion of the Merger (page 109)

The completion of the merger depends on a number of conditions being satisfied, including the following:

- the issuance and reservation for issuance of shares of Viisage common stock in connection with the merger and the amendments to Viisage s certificate of incorporation shall have been approved by the stockholders of Viisage;
- the merger agreement shall have been adopted by the stockholders of Identix;
- the parties respective representations and warranties contained in the merger agreement must be true and correct, subject in certain cases to exceptions that would not have a material adverse effect and other specified exceptions about the parties capitalization and authorization to enter into the merger agreement;
- the parties must each be in compliance in all material respects with their respective covenants contained in the merger agreement;
- L-1 Investment Partners, LLC and Viisage must enter into a termination and noncompete agreement terminating all arrangements (other than those specifically identified in such agreement) whereby L-1 Investment Partners, LLC provides financial, advisory, administrative or other services to Viisage; and prohibiting L-1 Investment Partners, LLC and its affiliates from directly advising, performing services for, investing in or entering into any other agreement with any person that competes directly or indirectly with Viisage or Identix (other than with respect to investments of L-1 Investment Partners, LLC as specifically identified in such agreement) in form and substance satisfactory to Viisage and Identix; and
- the antitrust waiting period applicable to the merger shall have expired or been terminated.

Each of the conditions to the merger may be waived by the company entitled to assert the condition except to the extent the condition must be satisfied in order to comply with applicable law or regulatory requirements. On March 23, 2006, the parties received early termination of the thirty-day waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended.

Termination of the Merger Agreement; Fees Payable (page 110)

Viisage and Identix may jointly agree to terminate the merger agreement without completing the merger. In addition, either Viisage or Identix may terminate the merger agreement if any of the following events occur:

the closing of the merger has not occurred by September 1, 2006, but this termination right is not available to a party whose failure to comply with the merger agreement resulted in the failure to complete the merger by that date;

any permanent injunction or other order of a court or other competent authority preventing the closing of the merger has become final and nonappealable;

the stockholders do not adopt the merger agreement (in the case of Identix), or approve the issuance of common stock in connection with the merger and the amendments to its certificate of incorporation (in the case of Viisage);

the other party has breached any of its representations, warranties or covenants and the breach cannot be or is not cured within the time allowed, and if not cured the breach would result in a failure of certain conditions to the merger;

the other party breaches its obligation to hold its stockholder meeting to vote on the adoption of the merger agreement (in the case of Identix), or the approval of the issuance of common stock in connection with the merger and the amendments of its certificate of incorporation (in the case of Viisage);

the other party s board of directors has withdrawn or adversely modified its recommendation in favor of the matters to be voted upon by such party s stockholders; or

the other party has approved or recommended an alternative transaction proposal, which is an acquisition by any person of beneficial ownership of more than 20% of the issued and outstanding shares of any class of capital stock in a single or a series of transactions, any sale or lease of all or more than 20% of the assets in a single or a series of transactions, or any liquidation or dissolution of the party.

A termination fee of $20 million may be payable by either Viisage or Identix to the other party upon the termination of the merger agreement under several circumstances. As of March 31, 2006, Viisage had $46.4 million of cash on hand and $8.5 million of available borrowing capacity under its Loan and Security Agreement with Citizens Bank of Massachusetts, and Identix had $33.9 million of cash, cash equivalents and marketable securities on hand. While both Viisage and Identix have sufficient cash on hand or borrowing capacity available to pay any termination fee, the growth strategy and financing strategy for the company paying the termination fee does not assume the payment of such fee and, as a result, could be adversely affected.

Expenses (page 107)

All fees and expenses incurred in connection with the merger agreement and the merger will be paid by the party incurring such expenses. All fees and expenses associated with the filing and printing of the registration statement and this joint proxy statement/prospectus will be borne equally by Viisage and Identix.

No Solicitation (page 104)

Viisage and Identix have agreed that they will not solicit, encourage or facilitate any alternative transaction proposal. They have also agreed to notify each other of inquiries, proposals or offers that constitute alternative transaction proposals. Viisage and Identix have agreed to cause each of their officers, directors, employees, agents, advisors and other representatives to not solicit, encourage or facilitate any alternative transaction proposal. However, if either party receives an unsolicited alternative transaction proposal that is superior, so long as certain conditions are satisfied, that party may engage in negotiations with respect to the superior alternative transaction proposal.

Governmental and Regulatory Matters (page 95)

To complete the merger, Viisage and Identix must make filings and obtain approvals or clearances from antitrust regulatory authorities in the United States. On March 23, 2006, the parties received early termination of the thirty-day waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended. Viisage must also comply with applicable federal and state securities laws and the rules and regulations of the Nasdaq National Market in connection with the issuance of the Viisage common stock pursuant to the merger and the filing of this joint proxy statement/prospectus with the Securities and Exchange Commission.

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Material United States Federal Income Tax Consequences of the Merger (page 96)

The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and it is a closing condition to the merger that Viisage and Identix receive opinions of their respective counsel regarding such qualification. As a result of the merger s qualification as a reorganization, Identix stockholders will not recognize income gain or loss for United States federal income tax purposes upon the exchange of shares of Identix common stock for shares of Viisage common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Viisage common stock. None of Viisage, VIDS Acquisition Corp. nor Identix will recognize gain or loss as a result of the merger.

Anticipated Accounting Treatment (page 98)

In accordance with Statement of Financial Accounting Standard No. 141, the merger will be accounted for as a purchase transaction by Viisage for financial reporting purposes under U.S. generally accepted accounting principles. After the merger, the results of operations of Identix will be included in the consolidated financial statements of Viisage. The cost of the acquisition, which is equal to the aggregate merger consideration, including the fair value of vested stock options and warrants of Identix assumed by Viisage and transaction costs, will be allocated based on the fair values of the Identix assets acquired and the Identix liabilities assumed. These allocations will be made based upon valuations and other studies that have not yet been finalized.

Appraisal Rights (page 98)

Holders of Identix common stock and Viisage common stock are not entitled to appraisal rights under the General Corporation Law of the State of Delaware in connection with the merger.

Comparison of Rights of Holders of Viisage Common Stock and Identix Common Stock (page 142)

After the merger, holders of Identix common stock will become stockholders of Viisage. Although Viisage and Identix are both Delaware corporations, and the General Corporation Law of the State of Delaware, or the DGCL, governs the rights of their respective stockholders, each of the companies certificate of incorporation and bylaws provide their stockholders with different rights. The certificate of incorporation and bylaws of each of the companies provide different stockholder rights with respect to:

- who is allowed to call a special meeting of the stockholders;
- whether stockholders have the ability to take action by written consent;
- determining a record date if the board of directors does not fix a date;

notice provisions for annual and special stockholder meetings;

director election and removal provisions;

notice provisions for special board meetings;

director and officer indemnification provisions;

dividend provisions;

liquidation provisions;

certain activities that specifically need stockholder approval; and

bylaws amendment provisions.

For a more comprehensive discussion and comparison of the rights of holders of Viisage common stock and Identix common stock, please see Comparison of Rights of Holders of Viisage Common Stock and Identix Common Stock and Corporate Governance Matters on page 142.

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RECENT DEVELOPMENTS

Aston Investment and IBT Acquisition; Reverse Stock Split

On October 5, 2005, Viisage entered into an investment agreement (referred to as the investment agreement) with L-1 Investment Partners, LLC (referred to as L-1) providing for the issuance and sale of Viisage common stock and warrants to L-1 in the amounts described below, subject to Viisage stockholder approval. L-1 subsequently assigned its rights and obligations under the Investment Agreement to Aston Capital Partners L.P. (referred to as Aston), an affiliate of L-1. Aston is a private investment fund organized as a limited partnership and managed by its general partner, Aston Capital Partners GP LLC and L-1. Robert LaPenta, James DePalma, Joseph Paresi and Doni Fordyce directly and indirectly hold all the beneficial ownership in the general partner and L-1. Prior to Aston s investment in Viisage and Viisage s acquisition of Integrated Biometric Technology, Inc., as described below, Viisage had no other relationships with L-1 and its affiliates, except that Messrs. LaPenta and DePalma were individual investors in Viisage.

On November 4, 2005, L-1 entered into a membership interest purchase agreement (referred to as the membership interest purchase agreement) with Integrated Biometric Technology, Inc. (referred to as IBT Parent), its wholly-owned subsidiary, Integrated Biometric Technology LLC (referred to as IBT), and the stockholders of IBT Parent to acquire 60% of the outstanding membership interests of IBT for $35 million in cash and to acquire the remaining 40% on or before January 30, 2006 for an additional $25 million. L-1 subsequently assigned its rights and obligations under the membership interest purchase agreement to Aston.

Aston began operations on October 12, 2005. In anticipation of its formation, L-1 negotiated and executed agreements for an investment in Viisage and for the acquisition of IBT. After Aston s formation, these agreements were assigned to Aston. At the time of its investment in Viisage, Aston also transferred its previously acquired 60% interest in IBT to Viisage for $35 million in cash and assigned its right to acquire the remaining interest in IBT for 2 million shares of Viisage common stock.

On November 15, 2005, Viisage entered into an assignment and assumption agreement (referred to as the assignment agreement) with Aston under which Viisage agreed to pay $35 million to Aston for its previously acquired 60% interest in IBT, subject to the consummation of the Aston investment in Viisage and customary closing conditions. Also on November 15, 2005, Viisage entered into an agreement and plan of merger (referred to as the IBT merger agreement) with IBT Parent, IBT and the stockholders of IBT Parent under which Viisage agreed to issue to the stockholders of IBT Parent shares of common stock of Viisage, in the amounts and on the terms described below, for all of the outstanding capital stock of IBT Parent. The only asset of IBT Parent at the time of the merger was the 40% interest in IBT not previously acquired by Aston.

On December 16, 2005, the Viisage stockholders approved the transactions contemplated by the investment agreement and a one-for-two and a half reverse stock split of the issued and outstanding common stock of Viisage. The reverse stock split had the effect of combining the issued and outstanding shares of Viisage common stock so that each issued and outstanding two and one-half (2.5) shares of common stock prior to the reverse stock split represented one (1) share of common stock immediately after the reverse stock split. The reverse stock split took effect on December 16, 2005 and all share related disclosures in this joint proxy/prospectus are reported on a post-reverse split basis. Viisage s common stock began trading on the Nasdaq National Market on a post-split basis on December 19, 2005.

On December 16, 2005, in accordance with the terms of the investment agreement between Viisage and Aston, Viisage (i) issued and sold to Aston 7,619,047 shares of Viisage common stock at $13.125 per share and (ii) issued to Aston warrants to purchase an aggregate of 1,600,000 shares of Viisage common stock at an exercise price of $13.75 per shares. The sale of the shares and warrants resulted in aggregate gross proceeds to Viisage of $100 million, $98.7 million after transaction costs, and net cash to Viisage of $63.7 million after the $35 million payment to Aston for Aston s ownership interest in IBT as described below. The warrants issued to

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Aston are exercisable until December 16, 2008, subject to the following vesting provisions: warrants to purchase (i) 1,280,000 shares of Viisage common stock vest on a pro rata basis when and if acquisitions involving the payment of aggregate consideration of $125 million are consummated (referred to as the acquisition warrants) or upon a change in control of Viisage; (ii) 213,333 shares of Viisage common stock vest when and if Viisage s gross revenues for any four consecutive quarters are equal to or greater than $200 million or upon a change in control of Viisage; and (iii) 106,667 shares of Viisage common stock vest when and if Viisage s gross revenues for any four consecutive quarters are equal to or greater than $300 million or upon a change in control of Viisage. As a result of the consummation of the IBT acquisition described above, 614,400 of the shares related to the acquisition warrants vested. As a result of the SecuriMetrics acquisition described below, an additional 307,200 shares related to the acquisition warrants vested. Viisage has agreed with Aston that the merger with Identix does not constitute a change of control as defined in the warrants so that the warrants are not required to be exercised prior to completion of the merger with Identix.

On December 16, 2005, in accordance with the terms of the assignment agreement, Viisage completed the purchase of 60% of the outstanding membership interests of IBT from Aston for $35 million in cash. Also on December 16, 2005, in accordance with the terms of the IBT merger agreement, all of the outstanding capital stock of IBT Parent was exchanged for 2,000,000 shares of common stock of Viisage, and IBT Parent was merged with and into a subsidiary of Viisage, which resulted in IBT Parent becoming a wholly-owned subsidiary of Viisage. The merger agreement provides that the stockholders of IBT Parent are eligible to receive from Viisage additional consideration for each share of Viisage common stock issued in the merger, equal to the amount, if any, by which $12.50 (or $17.50 in the event that defined revenues of IBT for the year ended December 31, 2006 exceed $75 million) exceeds the average of the closing bid prices of Viisage common stock during the month of February 2007, as reported on the NASDAQ Stock Market, in each case as adjusted for any stock splits. Any difference will be paid in additional shares of Viisage common stock, provided that if the average of the closing bid prices for Viisage common stock during the month of February 2007 is less than $6.25, the difference to be paid will be determined as if the average price were $6.25. As a result of the two transactions, Viisage acquired 100% of the outstanding membership interests of IBT.

On December 16, 2005, upon the completion of the acquisition of IBT and IBT Parent as described above, Viisage issued warrants to purchase 440,000 shares of Viisage common stock with an exercise price of $13.75 per share to L-1 for strategic advice, due diligence and other services relating to the acquisition. Warrants to purchase 280,000 of the shares were fully vested and are exercisable for three years. If during any of 2006, 2007 or 2008, the IBT business generates earnings before interest, taxes, depreciation and amortization of $6 million or more, the remaining warrants to purchase 160,000 shares of Viisage common stock will vest. These warrants have a term of three years from the date of such vesting, if any.

On December 18, 2005, Mr. Robert V. LaPenta, the founder and chief executive officer of L-1, and Mr. George Tenet, the former director of the Central Intelligence Agency, were elected to the Viisage board of directors. Mr. LaPenta was also elected as chairman of the Viisage board and chairman of the strategic committee of the Viisage board.

Other Recent Acquisitions

On December 13, 2005, Viisage acquired the AutoTest division of Openshaw Media Group, a leading provider of automated web-based applicant testing technologies for state departments of motor vehicles and other credential issuing agencies for $4 million in cash.

On February 5, 2006, Viisage entered into an agreement and plan of merger to acquire SecuriMetrics, Inc. for $30 million in cash, including $2 million that will be placed in escrow. In addition, the SecuriMetrics stockholders will have an opportunity to earn up to an additional $13 million in consideration if key performance thresholds are reached and contingencies resolved, of which $11.5 million would be paid in shares of Viisage common stock at a fixed price of $17.69 per share and the remainder ($1.5 million) would be paid in cash. The acquisition of SecuriMetrics was completed on February 17, 2006.

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Viisage is continuing to evaluate potential acquisitions of companies that would complement the company s current portfolio of products and customer solutions. One transaction under evaluation involves a strategic acquisition in the biometrics sector with a target company with a significant portfolio of intellectual property. The purchase price could be in the range of $30 million in cash. As of the date of this joint proxy statement/prospectus, Viisage is conducting due diligence on this potential acquisition target and a definitive acquisition agreement has not been entered into. Viisage cannot provide any assurances regarding the probability that a transaction will be consummated for a variety of reasons including that (i) it may not be satisfied with the results of its due diligence examinations, (ii) satisfactory definitive acquisition agreements may not be negotiated, and (iii) requisite board approvals may not be obtained. In addition, Viisage cannot provide assurances that a transaction, even if consummated, will be successful. For more information on the risks if Viisage does not achieve the expected benefits of its acquisitions, see the related risk factor on page 25. On a pro forma basis after giving effect to the merger with Identix, the potential acquisition, if consummated, is not expected to be significant to the business and operations of the company.

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RISK FACTORS

The merger involves a high degree of risk for both Viisage and Identix stockholders. Identix stockholders will be choosing to invest in Viisage common stock by voting in favor of adoption of the merger agreement. An investment in Viisage common stock involves a high degree of risk. Both Viisage and Identix stockholders will decide to combine the businesses of Viisage and Identix, which will change the business of each of Viisage and Identix. This change involves significant risk. In addition to the other information contained or incorporated by reference in this joint proxy statement/prospectus, both Viisage and Identix stockholders should carefully consider the following risk factors in deciding whether to vote for the issuance of shares of Viisage common stock in connection with the merger and the amendments to the certificate of incorporation, in the case of Viisage stockholders, or for adoption of the merger agreement, in the case of Identix stockholders.

Risks Related to the Merger

The exchange ratio is fixed, so the market value of the consideration received by Identix stockholders will change as the market price of Viisage common stock goes up or down.

The exchange ratio is fixed at 0.473 of a share of Viisage common stock for each share of Identix common stock and will not be adjusted in the event of changes in the market prices of either the Identix common stock or the Viisage common stock. If the market price of Viisage common stock changes, the value of the consideration to be received by the Identix stockholders will also change. For instance, if the market price of Viisage common stock decreases, the value of the consideration to be received by the Identix stockholders will also decrease. On the other hand, if the market price of Viisage common stock increases, the value of the consideration to be received by the Identix stockholders will increase correspondingly. Neither company may terminate the merger agreement or elect not to complete the merger because of changes in their stock prices, unless such change is a result of a material adverse effect, as defined in the merger agreement. During the 12-month period ended on June 30, 2006, the most recent practicable date prior to the mailing of this joint proxy statement/prospectus, the high and low sale prices for Viisage common stock ranged from $19.25 to $10.38, and the high and low sale prices for Identix common stock ranged from $8.48 to $4.30.

The market prices of Identix common stock and Viisage common stock on the date of the merger may be different from their prices on the date of the merger agreement, the date of this joint proxy statement/prospectus or the dates of the special meetings. Because the merger may occur on a date later than the dates of the special meetings, the market prices of Identix common stock and Viisage common stock on the dates of the special meetings may not be indicative of their market prices on the date of the merger. You are encouraged to obtain current market quotations for Viisage and Identix common stock.

Integration of the two businesses may be difficult to achieve, which may adversely affect operations.

The merger involves risks related to the integration and management of technology, operations and personnel of two companies. The integration of the businesses of Viisage and Identix will be a complex, time-consuming and expensive process and may disrupt their business if not completed in a timely and efficient manner. Following the merger, Viisage and Identix must operate as a combined organization utilizing common information and communications systems, operating procedures, financial controls and human resources practices.

Viisage and Identix may encounter substantial difficulties, costs and delays involved in integrating their operations, including:

potential conflicts between business cultures;

adverse changes in business focus perceived by third-party constituencies;

potential conflicts in distribution, marketing or other important relationships;

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- potential resource constraints for accounting personnel;
- inability to implement uniform standards, controls, procedures and policies;
- integration of the research and development and product development efforts; and
- loss of key employees and/or the diversion of management s attention from other ongoing business concerns.

In addition, Viisage has offices in three locations and plans to move its corporate headquarters from Billerica, Massachusetts, to Stamford, Connecticut. Identix is headquartered in Minnesota and has employees in seven locations. The geographic distances between the companies and their respective offices and operations increases the risk that the integration will not be completed successfully or in a timely and cost-effective manner. Viisage and Identix may not be successful in overcoming these risks or any other problems encountered in connection with the integration of the companies. The combined company will also need to manage the integration of Integrated Biometric Technology LLC and SecuriMetrics, Inc. The simultaneous integration of these acquisitions with the integration of Viisage and Identix may place additional strain on the combined company s resources and increase the risk that the combined company s business may be adversely affected by the disruption caused by the acquisitions.

The costs associated with the merger are difficult to estimate, may be higher than expected and may harm the financial results of the combined company.

Viisage and Identix estimate that they will incur aggregate direct transaction costs of approximately $9.5 million associated with the merger, including an allocation of $2.0 million of a fee in the aggregate amount of $2.5 million payable to L-1 simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and other transactions, including, without limitation assisting, Viisage in (1) analyzing the operations and historical performance of target companies; (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other matters. The combined company also will incur costs associated with consolidation and integration of operations, which cannot be estimated accurately at this time. Additional costs may include:

- costs of employee redeployment, relocation and retention, including salary increases or bonuses,
- accelerated amortization of deferred equity compensation and severance payments,
- reorganization or closure of facilities,
- relocation and disposition of excess equipment, and
- termination of contracts that provide redundant or conflicting services.

Some of these costs may have to be accounted for as expenses by Viisage that would decrease the combined company s net income and earnings per share for the periods in which those adjustments are made. If the total costs of the merger exceed estimates or the benefits of the merger do not exceed the total costs of the merger, the financial results of the combined company could be adversely affected. In addition, the closing of the merger could be delayed beyond the expected timeline of Viisage and Identix, adding cost and diverting management resources, which could adversely affect the combined company s business, operations and financial results.

Completion of the merger may result in dilution of future earnings per share to the stockholders of Viisage.

The completion of the merger may not result in improved earnings per share of Viisage or a financial condition superior to that which would have been achieved by either Viisage or Identix on a stand-alone basis. The merger could fail to produce the benefits that the companies anticipate, or could have other adverse effects that the companies currently do not foresee. In addition, some of the assumptions that either company has made, such as the achievement of operating synergies, may not be realized. In this event, the merger could result in a reduction of earnings per share of Viisage as compared to the earnings per share that would have been achieved by Viisage or Identix if the merger had not occurred.

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The combined company s net operating loss carryforwards may be limited as a result of the merger.

Viisage and Identix have net operating loss carryforwards for federal income tax purposes of $50.4 million and $213.0 million at December 31, 2005 and June 30, 2005, respectively, and it is estimated that these loss carryforwards have increased through March 31, 2006. Both entities have provided full valuation allowances for the tax benefit of such losses as well as certain tax credit carryforwards. Utilization of these net operating loss and credit carryforwards are dependent upon the combined company achieving profitable results following the merger. As a consequence of the merger, as well as earlier business combinations and issuances of common stock consummated by both companies, utilization of the tax benefits of these carryforwards are subject to limitations imposed by Section 382 of the Internal Revenue Code. The determination of the limitations is complex and requires significant judgment and analysis of past transactions. Neither entity has completed the analyses required to determine what portion, if any, of these carryforwards will have their availability restricted or eliminated by that provision. Accordingly, some portion of these carryforwards may not be available to offset future taxable income, if any.

The market price of Viisage common stock could decline.

The market price of Viisage common stock could decline if:

- the integration of Viisage and Identix is unsuccessful;
- the combined company is unable to successfully market Viisage s products and services to Identix customers or Identix products and services to Viisage s customers;
- the combined company does not achieve the perceived benefits of the merger as rapidly as, or to the extent, anticipated by financial or industry analysts, or such analysts do not perceive the same benefits to the merger as do Viisage and Identix; or
- the effect of the merger on Viisage s financial results is not consistent with the expectations of financial or industry analysts.

Failure to complete the merger could negatively affect Viisage s and/or Identix stock prices, future business and operations.

If the merger is not completed for any reason, Viisage and Identix may be subject to a number of material risks, including the following:

- either Viisage or Identix could be required to pay the other a termination fee of $20 million if the merger agreement is terminated under certain circumstances; and
- the parties costs and expenses related to the merger, which are substantial, must be paid even if the merger is not completed.

Failure to approve any of the proposals relating to the amendments to the Viisage certificate of incorporation could result in the merger agreement being terminated.

Pursuant to the terms of the merger agreement, both Viisage and Identix will have the right to terminate the merger agreement if any of Proposals 2A-2E are not approved by Viisage stockholders. Although this condition could be waived in the event any of Proposals 2B-2E are not approved, Proposal 2A to increase the number of authorized shares of common stock of Viisage must be approved in order for the merger to be consummated because Viisage currently does not have enough authorized shares of common stock to effect the exchange of Identix shares for Viisage shares.

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Identix executive officers and directors may have interests that are different from, or in addition to, those of Identix stockholders generally.

The executive officers and directors of Identix may have interests in the merger that are different from, or are in addition to, those of Identix stockholders generally. The receipt of compensation or other benefits in the merger following the completion of the merger may influence those directors in making their recommendations that you vote in favor of the adoption of the merger agreement. You should be aware of these interests when you consider the Identix board s recommendation that you vote in favor of adoption of the merger agreement. See the section titled The Merger Interests of Certain Identix Persons in the Merger below starting on page 90.

Viisage executive officers and directors may have interests that are different from, or in addition to, those of Viisage stockholders generally.

The executive officers and directors of Viisage may have interests in the merger that are different from, or are in addition to, those of Viisage stockholders generally. The receipt of compensation or other benefits in the merger following the completion of the merger may influence those directors in making their recommendations that you vote in favor of the proposals relating to the merger. You should be aware of these interests when you consider the Viisage board s recommendation that you vote in favor of the proposals relating to the merger. See the section titled The Merger Interests of Certain Viisage Persons in the Merger below starting on page 84.

Risks Related to Viisage and the Combined Company After the Merger

Viisage and Identix have each had a history of operating losses.

Viisage and Identix have each had a history of operating losses. Viisage s business operations began in 1993 and, except for fiscal years 1996 and 2000, have resulted in net losses in each fiscal year, including a net loss of $7.4 million in 2005 and $2.2 million in the first three months of 2006. Identix has recorded a net loss for each fiscal year since 1998, including a net loss of $13.9 million for its 2005 fiscal year and $6.1 million in the first nine months of its 2006 fiscal year. At March 31, 2006, Viisage had an accumulated deficit of approximately $58.6 million. At March 31, 2006, Identix had an accumulated deficit of $367.2 million. As a combined company, Viisage and Identix expect to continue to invest in the development of their secure credential and biometric technologies. Accordingly, Viisage and Identix cannot predict when or if the combined company will ever achieve sustained profitability on an annual basis.

Viisage and Identix derive a significant portion of their revenue from government contracts, which are often non-standard, involve competitive bidding, may be subject to cancellation with or without penalty and may produce volatility in earnings and revenue.

More than 90% of each company s business involves providing products and services under contracts with U.S. federal, state, local and foreign government agencies. Obtaining contracts from government agencies is challenging and government contracts often include provisions that are not standard in private commercial transactions. For example, government contracts may:

- include provisions that allow the government agency to terminate the contract without penalty under some circumstances;

be subject to purchasing decisions of agencies that are subject to political influence;

include bonding requirements;

contain onerous procurement procedures; and

be subject to cancellation if government funding becomes unavailable.

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Securing government contracts can be a protracted process involving competitive bidding. In many cases, unsuccessful bidders may challenge contract awards, which can lead to increased costs, delays and possible loss of the contract for the winning bidder. For example, in October 2003, Identix announced that it had been awarded a Blanket Purchase Order, or BPO, from the Department of Homeland Security, or DHS, with an estimated value of approximately $27 million. The award was subsequently protested by one of Identix competitors who had been an unsuccessful participant in the bidding process for the BPO. Though the protest was ultimately resolved in Identix favor, the protest resulted in substantial delays in DHS procurement of Identix technology under the BPO. Similar protests, and similar delays, regarding any future government contracts of a material nature that may be awarded to the combined company could result in materially adverse revenue volatility, making management of inventory levels, cash flow and profitability or loss inherently difficult. Outright loss of any material government contract, such as the BPO award to Identix, through the protest process or otherwise, could have a material adverse effect on the combined company s financial results and stock price.

Similar to federal government contracts, state and local government agency contracts may be contingent upon availability of matching funds from federal, state or local entities. State and local law enforcement and other government agencies are subject to political, budgetary, purchasing and delivery constraints which may continue to result in quarterly and annual revenues and operating results that may be irregular and difficult to predict. Such revenue volatility makes management of inventory levels, cash flow and profitability inherently difficult. In addition, if the combined company is successful in winning such procurements, there may be unevenness in shipping schedules, as well as potential delays and changes in the timing of deliveries and recognition of revenue, or cancellation of such procurements.

Viisage and Identix derive a significant portion of their revenue from a few customers, the loss of which could have an adverse effect on the combined company s revenues.

For the three-month period ended March 31, 2006, two customers, the Transportation Security Administration and the U.S. Department of State each accounted for over 10% of Viisage s revenue and together an aggregate of 37% of Viisage s revenue. For the year ended December 31, 2005, one customer, U.S. Department of State, accounted for 27.5% of Viisage s revenue. For the year ended December 31, 2004, two customers, Telos Corporation (U.S. Department of Defense) and U.S. Department of State, each accounted for over 10% of Viisage s revenue and together an aggregate of 31.0% of Viisage s revenue. For the nine-month period ended March 31, 2006, Identix derived 21% of total revenue from contracts relating to the U.S. Federal Government with no one government agency making up greater than 10% of total revenues. For the fiscal year ended June 30, 2005, Identix derived approximately 23% of its total revenue from contracts relating to the U.S. Federal Government with one government agency, the Department of Homeland Security, making up 13% of total revenues. For the fiscal year ended June 30, 2004, Identix derived 14% of its revenue from the U.S. Federal Government with no one agency producing more than 10% of total revenue. The loss of any of Viisage s or Identix significant customers would cause revenue to decline and could have a material adverse effect on the combined company s business.

The combined company could face adverse consequences as a result of Viisage s late SEC filings.

Viisage failed to timely file its Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 due to the change in its independent registered public accounting firm on May 1, 2006. Viisage failed to timely file its Annual Report on Form 10-K for the year ended December 31, 2004 and its Quarterly Report on Form 10-Q for the quarter ended April 3, 2005 in order to provide additional time for Viisage, Viisage s prior independent auditors and Viisage s outside counsel to complete a review of litigation involving Viisage and to assess its effect, if any, on Viisage s financial statements for the year ended December 31, 2004. As a result, the combined company will not be eligible to use a short form registration statement on Form S-3 until May 17, 2007, and may not be eligible to use a short form registration statement if it fails to satisfy the conditions required to use such registration statement on or after such date. The combined company s inability to use a short form registration statement until May 17, 2007 or thereafter may impair its ability or increase the costs and complexity

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of its efforts, to raise funds in the public markets or use its stock as consideration in acquisitions should it desire to do so during the period it is not eligible to use the short form. In addition, if the combined company is unable to remain current in its future filings, it may face additional adverse consequences, including (1) an inability to have a registration statement under the Securities Act of 1933 covering a public offering of securities declared effective by the SEC, (2) an inability to make offerings pursuant to existing registration statements (including registration statements on Form S-8 covering employee stock plans) or pursuant to certain private placement rules of the SEC under Regulation D to any purchasers not qualifying as accredited investors, (3) the possible delisting of its common stock from the Nasdaq National Market, and (4) limitations on the ability of its affiliates to sell its securities pursuant to Rule 144 under the Securities Act. These restrictions may adversely affect the combined company s ability to attract and retain key employees and may further impair its ability to raise funds in the public markets should it desire to do so or use its stock as consideration in acquisitions.

In addition, the combined company s future success depends largely upon the support of its customers, suppliers and investors. The late SEC filings have resulted in negative publicity and a Nasdaq delisting proceeding, and may have a negative impact on the market price of the combined company s common stock. The effects of the late SEC filings could cause some of the combined company s customers or potential customers to refrain from purchasing or defer decisions to purchase its products and services. Additionally, current or potential suppliers may re-examine their willingness to do business with the combined company, to develop critical interfaces to its products or to supply products and services if they lose confidence in its ability to fulfill its commitments. Any of these losses could have a material adverse effect on the combined company s financial and business prospects.

Viisage has been named as a defendant in eight putative class action lawsuits, an adverse outcome in which could have a material adverse effect on the combined company s business, financial condition and results of operations by adversely affecting its cash position.

In March and April 2005, eight putative class action lawsuits were filed against Viisage in the United States District Court for the District of Massachusetts. These lawsuits have been consolidated into one action under one case name: In re: Viisage Technology Securities Litigation, Civil Action No. 05-10438-MLW. The amended consolidated complaint which was filed in February 2006 alleges violations of the federal securities laws by Viisage and certain of its officers and directors arising out of purported misstatements and omissions in Viisage s SEC filings related to the litigation involving the Georgia drivers license contract and related to Viisage s reported material weaknesses in internal controls over financial reporting, which allegedly artificially inflated the price of Viisage s stock during the period May 12, 2004 through March 2, 2005. Viisage is not able to estimate the amount of the loss allegedly suffered by members of the putative class or the amount of legal costs and internal efforts associated with defending the combined company and its officers and directors. If the combined company is unsuccessful in defending itself in this litigation, these lawsuits could adversely affect the combined company s business, financial condition, results of operations and cash flows as a result of the damages that it would be required to pay. It is possible that the combined company s insurance policies either may not cover potential claims of this type or may not be adequate to indemnify it for all liability that may be imposed. While Viisage believes that the allegations and claims made in these lawsuits are wholly without merit and intends to defend the actions vigorously, it cannot be certain that the combined company will be successful in this litigation.

Viisage has already taken an impairment charge to assets of $2.0 million due to the Georgia litigation; if Viisage and Identix are unable to use the remaining assets from that contract, they may be required to take further impairment charges which could negatively affect the combined company s earnings.

In December 2004, the superior court for Fulton County, Georgia granted summary judgment in favor of Georgia s Department of Motor Vehicle Safety, or DMVS, in connection with litigation brought by Digimarc ID Systems, LLC in March 2003 alleging that DMVS did not comply with its own bid process when it selected Viisage as the vendor for its new digital drivers license program. In July 2003, the court had issued a preliminary injunction prohibiting DMVS from continuing to work with Viisage to install Georgia s new drivers license

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system. In July 2004, Viisage reached a settlement agreement with the state pursuant to which DMVS terminated the contract for convenience and agreed to pay Viisage $2.0 million in cash and the state agreed to purchase certain equipment from Viisage for $500,000. In its December 2004 ruling, the Georgia court authorized DMVS to issue a new request for proposals for a digital drivers license system, but disallowed the $2.0 million cash payment described above. Without this payment, Viisage believes that either the settlement agreement with DMVS is not effective and that Viisage s contract with DMVS remains in place, or that Viisage s initial claim for an $8.2 million settlement payment is revived. The state has paid Viisage the $500,000 for the equipment and Viisage appealed the disallowance of the $2.0 million settlement payment. In May 2005, the Georgia Supreme Court voted not to hear Viisage s appeal of the summary judgment ruling on procedural grounds. Due to the uncertainty of the cash settlement as a result of the judge s ruling and the uncertainty of future cash flows from this contract to support the book value of certain system assets installed, Viisage has identified $2.2 million of assets deployed within the state that it has deemed to have no alternative use. Viisage reduced the recorded value of these assets from approximately $2.2 million to their estimated fair value of approximately $200,000 based on its estimate of realizable value from liquidation of these assets, which resulted in a $2.0 million charge in the fourth quarter of 2004. In addition, Viisage has removed the contract from its backlog, and will lose up to $19.7 million in revenue that Viisage expected to recognize over the next five and one-half years, unless the contract remains in place or the combined company is able to win the new contract for the digital drivers license system and the revenues from such new contract are substantially similar to the prior contract. Viisage also has evaluated for impairment the remaining $2.9 million in assets being retained by Viisage from the Georgia contract. These consist of approximately $1.1 million of assets that Viisage anticipates using in Georgia if it wins the contract based on the new request for proposals, approximately $150,000 of assets that it anticipates could either be used in Georgia under a new contract or used in other projects, and approximately $1.6 million of assets constituting Viisage s central production facility in Georgia. Based upon its current probability-weighted estimate of cash flows, Viisage has determined that these assets are not currently impaired. While Viisage believes the combined company can utilize these assets either in Georgia, if it wins the new contract, or on alternative projects, to the extent that it is unable to utilize these assets or realize value through a sale of these assets or reach a new settlement with DMVS regarding these assets, it would be required to take a further charge to earnings.

If Viisage and Identix are unable to successfully remediate the material weaknesses in their control processes and procedures, their ability to report their financial results on a timely and accurate basis may be adversely affected. As a result, current and potential stockholders could lose confidence in their financial reporting which could have a material adverse effect on the combined business, operating results and stock price.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, Viisage, beginning with its Annual Report on Form 10-K for the year ended December 31, 2004, and Identix, beginning with its Annual Report on Form 10-K for the year ended June 30, 2005, were required to furnish a report by their management on their internal controls over financial reporting. As a combined company, Viisage and Identix will be required to file a report by the combined company s management on its internal controls over financial reporting in each of its future Annual Reports on Form 10-K. Such report is required to contain, among other matters, an assessment of the effectiveness of its internal control over financial reporting as of the end of its fiscal year, including a statement as to whether or not its internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in its internal control over financial reporting identified by management. Such report must also contain a statement that its auditors have issued an attestation report on management s assessment of such internal controls.

For the year ended December 31, 2005 and the quarter ended March 31, 2006, Viisage s management concluded that its internal control with regard to effecting a timely and accurate financial statement close process had significant deficiencies that constituted a material weakness due to insufficient personnel within the accounting function to effect a timely and accurate financial statement close process with the necessary level of review and supervision. This material weakness could result in a material misstatement to the annual or interim financial statements that would not be prevented or detected. Because of this material weakness, Viisage s management has concluded that Viisage did not maintain effective internal control over financial reporting as of December 31, 2005 and as of March 31, 2006. BDO Seidman, LLP, Viisage s independent registered public accounting firm for the year ended December 31, 2005, agreed with management s conclusion as to the ineffectiveness of Viisage s internal controls in BDO s report on internal control over financial reporting for such year. Viisage s management identified certain steps designed to address the material weakness described above, and began to execute remediation plans, as discussed elsewhere in this joint proxy statement/prospectus.

As a result of the material weakness in Viisage s internal controls over financial reporting described above, Viisage s management also concluded that its disclosure controls and procedures were not effective for the year ended December 31, 2005 and the quarter ended March 31, 2006. If Viisage is unable to remedy this material weakness promptly and effectively, it could have a material adverse effect on Viisage s business, as well as impair its ability to meet its quarterly and annual reporting requirements in a timely manner. While Viisage is remediating this material weakness, the controls and procedures on which it currently relies may fail to be sufficiently effective, and such controls and procedures may not be adequate to prevent or detect irregularities or ensure the accuracy of Viisage s financial statements or reports filed with the SEC.

Identix management s report was included in its annual report for the year ended June 30, 2005 on Form 10-K (as supplemented by Identix Form 8-K filed with the SEC on February 13, 2006) under Item 9A. As of June 30, 2005, management concluded that a material weakness existed as Identix did not maintain effective controls to ensure the proper allocation of its income tax provision (benefit) between loss from continuing operations and income from discontinued operations. In addition, management did not maintain effective monitoring controls to detect or prevent an inappropriate income tax allocation between continuing and discontinued operations. Because of this material weakness, management concluded that Identix did not maintain effective internal control over financial reporting as of June 30, 2005, September 30, 2005, December 31 2005 and March 31, 2006. PricewaterhouseCoopers, LLP (PWC), Identix independent registered public accounting firm for the year ended June 30, 2005, agreed with management s conclusion as to the ineffectiveness of Identix internal controls in PWC s report on internal control over financial reporting for such year. Management identified the steps necessary to address the material weaknesses described above, and began to execute remediation plans. Identix implemented a more in-depth and comprehensive process to account for income taxes in order to remediate the material weakness. Although Identix has implemented the remediation procedures as described above, it cannot yet assert that the remediation is effective as Identix has not had sufficient time to test the operating effectiveness of the newly implemented controls.

As a combined company, any failure to implement in a timely manner and maintain the improvements in the controls over the combined company s financial reporting that Viisage and Identix are currently putting in place, or difficulties encountered in the implementation of these improvements in the combined company s controls, could cause it to fail to meet its reporting obligations, to fail to produce reliable financial reports or to prevent fraud. The merger and the recent acquisitions by Viisage and Identix could adversely affect the combined company s ability to timely remediate and avoid further material weaknesses. Any failure to improve the combined company s internal controls to address these identified weaknesses could also cause investors to lose confidence in its reported financial information, which could have a negative impact on the combined company s business, operating results and stock price.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations and NASDAQ National Market rules, are creating uncertainty for companies such as Viisage and Identix. These new or changed laws, regulations and standards are subject to varying interpretations in many cases due to their lack of specificity, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could

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result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Viisage and Identix are committed to maintaining high standards of corporate governance and public disclosure. As a result, they intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. If Viisage s and Identix efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, Viisage s and Identix reputation may be harmed.

Viisage s and Identix strategy of expanding their biometric products business could adversely affect the combined company s business operations and financial condition.

Part of Viisage s and Identix strategy is to enhance their leadership in biometric technologies. Pursuing this strategy involves risks. For instance, to date, biometric technologies have not gained widespread commercial acceptance. Some of the obstacles to widespread acceptance of biometric products include a perceived loss of privacy and public perceptions as to the usefulness of biometric products. Whether the market for biometric technologies will expand will be dependent upon factors such as:

- national or international events which may affect the need for or interest in biometric products or services;
- the cost, performance and reliability of the combined company s products and services and those of its competitors;
- customers perception of the perceived benefit of biometric products and services and their satisfaction with the combined company s products and services;
- public perceptions of the intrusiveness of these products and services and the manner in which firms are using the information collected;
- public perceptions regarding the confidentiality of private information;
- proposed or enacted legislation related to privacy of information; and
- marketing efforts and publicity regarding these products and services.

Viisage and Identix do not know when, if ever, biometric products will gain widespread commercial acceptance. Certain groups have publicly objected to the use of biometric products for some applications on civil liberties grounds and legislation has been proposed to regulate the use of biometric security products. From time to time, biometrics technologies have been the focus of organizations and individuals seeking to curtail or eliminate such technologies on the grounds that they may be used to diminish personal privacy rights. If such initiatives result in restrictive legislation, the market for biometric solutions may be adversely affected. Even if biometric technologies gain wide market acceptance, the combined company s products and services may not adequately address the requirements of the market and may not gain wide market acceptance.

Viisage and Identix face intense competition, which could result in lower revenues and higher research and development expenditures and could adversely affect the combined company s results of operations.

The events of September 11, 2001 and subsequent regulatory and policy changes in the U.S. and abroad have heightened interest in the use of biometric security solutions, and Viisage and Identix expect competition in this field, which is already substantial, to intensify. Competitors are developing and marketing semiconductor or optically based direct contact fingerprint image capture devices, or retinal blood vessel, iris pattern, hand geometry, voice or various types of facial structure solutions. Among these companies are Cognitec Systems Corporation, Imageware Systems, Inc., SAGEM Morpho Inc., NEC Corporation and Cogent Inc. Viisage s and Identix products also will compete with non-biometric technologies such as certificate authorities and traditional keys, cards, surveillance systems and passwords. Widespread adoption of one or more of these technologies or

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approaches in the markets Viisage and Identix intend to target could significantly reduce the potential market for their systems and products. Many of Viisage s and Identix competitors have significantly more cash and resources than Viisage and Identix have. Viisage s and Identix competitors may introduce products that are competitively priced, have increased performance or functionality or incorporate technological advances that Viisage and Identix have not yet developed or implemented. To remain competitive, Viisage and Identix must continue to develop, market and sell new and enhanced systems and products at competitive prices, which will require significant research and development expenditures. If Viisage and Identix do not develop new and enhanced products or if they are not able to invest adequately in their research and development activities, the combined company s business, financial condition and results of operations could be negatively impacted.

Unless Viisage and Identix keep pace with changing technologies, they could lose existing customers and fail to win new customers.

In order to compete effectively in the biometrics market, Viisage and Identix must continually design, develop and market new and enhanced products at competitive prices and they must have the resources available to invest in significant research and development activities. The combined company s future success will depend upon its ability to address the changing and sophisticated needs of the marketplace. Frequently, technical development programs in the biometric industry require assessments to be made of the future directions of technology and technology markets generally, which are inherently risky and difficult to predict. Viisage and Identix may not be able to accurately predict which technologies customers will support. If the combined company does not introduce new products, services and enhancements in a timely manner, if it fails to choose correctly among technical alternatives or if it fails to offer innovative products and services at competitive prices, customers may forego purchases of its products and services and purchase those of its competitors.

In addition, continued participation by Viisage and Identix in the market for Live Scan systems that are linked to forensic quality databases under the jurisdiction of governmental agencies may require the investment of the combined company s resources in upgrading the combined company s products and technology for Viisage and Identix to compete and to meet regulatory and statutory standards. Viisage and Identix may not have adequate resources available to them or may not adequately keep pace with appropriate requirements in order to effectively compete in the marketplace.

Security breaches in systems that Viisage and Identix sell or maintain could result in the disclosure of sensitive government information or private personal information that could result in the loss of clients and negative publicity.

Many of the systems Viisage and Identix sell manage private personal information and protect information involved in sensitive government functions. The protective measures that Viisage and Identix use in these systems may not prevent security breaches, and failure to prevent security breaches may disrupt the combined company s business, damage its reputation, and expose it to litigation and liability. A party who is able to circumvent security measures used in these systems could misappropriate sensitive or proprietary information or materials or cause interruptions or otherwise damage the combined company s products, services and reputation, and the property of its customers. If unintended parties obtain sensitive data and information, or create bugs or viruses or otherwise sabotage the functionality of the combined company s systems, the combined company may receive negative publicity, incur liability to its customers or lose the confidence of its customers, any of which may cause the termination or modification of its contracts. Further, the combined company s insurance coverage may be insufficient to cover losses and liabilities that may result from such events.

In addition, Viisage and Identix may be required to expend significant capital and other resources to protect themselves against the threat of security breaches or to alleviate problems caused by these breaches. However, protective or remedial measures may not be available at a reasonable price or at all, or may not be entirely effective if commenced.

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SecuriMetrics intellectual property rights and revenues may be adversely affected if it does not prevail in the litigation between SecuriMetrics and Iridian Technologies, Inc.

SecuriMetrics is engaged in litigation with Iridian Technologies, Inc. (Iridian) regarding certain license and related agreements for iris technology that SecuriMetrics has entered into with Iridian. SecuriMetrics and Viisage may not prevail in the litigation between SecuriMetrics and Iridian. Viisage s acquisition of SecuriMetrics may have an unforeseen and adverse impact on SecuriMetrics prosecution of the litigation between SecuriMetrics and Iridian. In the event SecuriMetrics does not prevail in this litigation or does not settle this litigation, SecuriMetrics intellectual property rights and revenues may be adversely affected.

The substantial lead-time required for ordering parts and materials may lead to inventory problems.

The lead-time for ordering parts and materials and building many of Viisage s and Identix products can be many months. As a result, Viisage and Identix must order parts and materials and build their products based on forecasted demand. If demand for their products lags significantly behind their forecasts, Viisage and Identix may produce more products than they can sell, which can result in cash flow problems and write-offs or write-downs of obsolete inventory.

Loss of limited source suppliers may result in delays or additional expenses.

Viisage and Identix obtain certain hardware components and complete products, as well as software applications, from a limited group of suppliers. Viisage s and Identix reliance on these suppliers involves significant risks, including reduced control over quality and delivery schedules. In particular, Viisage is dependent on Toppan Printing Co. Ltd. for all of the printers and consumables for the U.S. Department of State passport contract and the Department of Defense common access card contract. Pursuant to agreements with one of Toppan s distributors, Viisage has the exclusive right to sell the Toppan printers and consumables for the U.S. Department of State passport contract and the Department of Defense common access card contract, and the distributor is required to sell these printers and consumables to Viisage for the duration of such contracts. Any financial instability of Viisage s manufacturers or distributors or breach of supply agreements by these manufacturers or distributors could result in its having to find new suppliers. Further, although Viisage has long-term agreements with some of its suppliers, Identix does not. Viisage and Identix may experience significant delays in manufacturing and shipping their products to customers if they lose their sources or if supplies from these sources are delayed. As a result, they may be required to incur additional development, manufacturing and other costs to establish alternative sources of supply. It may take several months to locate alternative suppliers, if required, or to re-tool the combined company s products to accommodate components from different suppliers. Viisage and Identix cannot predict if they will be able to obtain replacement components within the time frames they require at an affordable cost, or at all. Any delays resulting from suppliers failing to deliver components or products on a timely basis, in sufficient quantities and of sufficient quality or any significant increase in the price of components from existing or alternative suppliers could have a severe negative impact on the combined company s business, financial condition and results of operations.

The market for Viisage s and Identix solutions is still developing and if the industry adopts standards or a platform different from their platform, then their competitive position would be negatively affected.

The market for identity solutions is still emerging. The evolution of this market is in a constant state of flux that may result in the development of different technologies and industry standards that are not compatible with Viisage s and Identix current products or technologies. In particular, the face recognition market lacks industry-wide standards. Several organizations, such as the International Civil Aviation Organization, which sets standards for travel documents that its member states then put into effect, and the National Institute for Standards and Testing, which is part of the U.S. Department of Commerce, have recently selected face recognition as the biometric to be used in identification documentation. It is possible, however, that these standards may change and that any standards eventually adopted could prove disadvantageous to or incompatible with the combined company s business model and product lines.

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Legal claims regarding infringement by Viisage or Identix or their suppliers of third party intellectual property rights could result in substantial costs, diversion of managerial resources and harm to the combined company s reputation.

Although Viisage and Identix believe that their products and services do not infringe the intellectual property rights of others, Viisage or Identix might not be able to defend successfully against a third-party infringement claim. A successful infringement claim against Viisage or Identix or their suppliers could subject them to:

- liability for damages and litigation costs, including attorneys fees;
- lawsuits that prevent them from further use of the intellectual property;
- having to license the intellectual property from a third party, which could include significant licensing fees;
- having to develop a non-infringing alternative, which could be costly and delay projects;
- having to indemnify clients with respect to losses they incurred as a result of the alleged infringement; and
- having to establish alternative sources for products supplied to them by third parties, as discussed above in the risk factor regarding their dependence on limited source suppliers.

Even if Viisage and Identix are not found liable in a claim for intellectual property infringement, such a claim could result in substantial costs, diversion of resources and management attention, termination of customer contracts and harm to the combined company s reputation.

Uncertainties in global economic markets and the continuing threat of global terrorism could cause delays in customer purchases.

Many customers and potential customers have delayed purchase intentions as a result of uncertainties in global economic markets. Government budgets, particularly at state and regional levels, have been or are expected to be reduced notably. Government contracts result from purchasing decisions made by public sector agencies that are particularly sensitive to budget changes and cutbacks during economic downturns, and variations in appropriations cycles. Many U.S. state customers are facing budget cuts, and some international customers are facing debt crises, introducing added uncertainty. Any shift in the government procurement process, which is outside of Viisage s and Identix control and may not be predictable, could impact the predictability of their quarterly results and may potentially have a material negative effect on the combined company s financial position, results of operation or cash flows.

The September 11, 2001 terrorist attacks, and continuing concerns about global terrorism, may have created an increase in awareness for biometric security solutions generally. However, government funding for efforts in the war against terrorism, the war in Iraq, and the post-war reconstruction efforts in Iraq, may result in delays in funding for the implementation of biometric solutions generally.

Viisage s and Identix plan to pursue sales in international markets may be limited by risks related to conditions in such markets.

In the quarter ended March 31, 2006, Viisage derived approximately 9%, and in the nine months ended March 31, 2006, Identix derived approximately 12%, of their total revenues from international sales. Identix has a local presence in the United Kingdom, and Viisage has a local presence in Germany. There is a risk that Viisage and Identix may not be able to successfully market, sell and deliver their products in foreign countries.

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Risks inherent in marketing, selling and delivering products in foreign and international markets, each of which could have a severe negative impact on the combined company s financial results and stock price, include those associated with:

- regional economic or political conditions;
- delays in or absolute prohibitions on exporting products resulting from export restrictions for certain products and technologies, including crime control products and encryption technology;
- loss of, or delays in importing products, services and intellectual property developed abroad, resulting from unstable or fluctuating social, political or governmental conditions;
- fluctuations in foreign currencies and the U.S. dollar;
- loss of revenue, property (including intellectual property) and equipment from expropriation, nationalization, war, insurrection, terrorism, criminal acts and other political and social risks;
- the overlap of different tax structures;
- seasonal reductions in business activity;
- risks of increases in taxes and other government fees; and
- involuntary renegotiations of contracts with foreign governments.

Viisage and Identix expect that they will have increased exposure to foreign currency fluctuations. Net revenue and related expenses generated from Viisage s operations in Germany are denominated in euros. The results of operations and balance sheet associated with this location are exposed to foreign exchange rate fluctuations. As of March 31, 2006, the accumulated other comprehensive loss for Viisage and Identix includes foreign currency translation adjustments of $1.8 million and $0.2 million respectively. In addition to Viisage s German operation, Viisage has significant Japanese Yen-denominated transactions with Japanese vendors supplying hardware and consumables for the delivery of certain large contracts. Fluctuations in foreign currencies, including Viisage s Japanese Yen-denominated transactions could result in unexpected fluctuations to its results of operations, which could be material and adverse.

The combined company s results of operations may be harmed by governmental credit and other policies.

Viisage and Identix extend substantial credit to federal, state and local governments in connection with sales of their products and services. Sales to sizeable customers requiring large and sophisticated networks of fingerprint recognition and Live Scan systems and peripheral equipment often include technical requirements which may not be fully known at the time requirements are specified by the customer. In addition, contracts may specify performance criteria that must be satisfied before the customer accepts the products and services. Collection of accounts receivable may be dependent on completion of customer requirements, which may be unpredictable, subject to change by the customer, and not fully understood by Viisage and Identix at the time of acceptance of the order, and may involve investment of additional resources. These investments of additional resources are accrued when amounts can be estimated but may be uncompensated and negatively affect profit margins and the combined company s liquidity.

Additionally, without regard to termination of funding, government agencies both domestically and internationally may successfully assert the right to terminate business or funding relationships with Viisage and Identix at their sole discretion without adequate or any compensation or recourse for Viisage and Identix.

If Viisage and Identix do not successfully expand their direct sales and services organizations and partnering arrangements, they may not be able to increase their sales or support their customers.

Viisage sells substantially all of its services and licenses substantially all of its products through its direct sales organization. The combined company s future success depends on substantially increasing the size and scope of its direct sales force and partnering arrangements, both domestically and internationally. Viisage and Identix will face intense competition for personnel, and they cannot guarantee that they will be able to attract, assimilate or retain additional qualified sales personnel on a timely basis. Moreover, given the large-scale deployment required by some of their customers, they will need to hire and retain a number of highly trained customer service and support personnel. They cannot guarantee that they will be able to increase the size of their customer service and support organization on a timely basis to provide the high quality of support required by their customers. Failure to add additional sales and customer service representatives could result in their inability to increase sales and support their customers.

Viisage and Identix rely in part upon original equipment manufacturers, or OEM, and distribution partners to distribute their products, and they may be adversely affected if those parties do not actively promote their products or pursue installations that use their equipment.

A significant portion of Viisage s and Identix revenue comes from sales to partners including OEMs, systems integrators, distributors and resellers. Some of these relationships have not been formalized in a detailed contract, and may be subject to termination at any time. Even where these relationships are formalized in a detailed contract, the agreements are often terminable with little or no notice and subject to periodic amendment. Viisage and Identix cannot control the amount and timing of resources that their partners devote to activities on their behalf.

Viisage and Identix intend to continue to seek strategic relationships to distribute, license and sell certain of their products. Viisage and Identix, however, may not be able to negotiate acceptable relationships in the future and cannot predict whether current or future relationships will be successful.

Integration of acquired businesses may be difficult and will consume significant financial and managerial resources, which could have an adverse effect on the combined company s results of operations.

In addition to the risks related to the merger contemplated by this registration statement as described in Risk Factors Risks Related to the Merger above, the combined company faces risks related to acquisitions made by Viisage and Identix prior to the merger. On February 17, 2006, Viisage completed the acquisition of all of the stock of SecuriMetrics, Inc., a company which provides handheld iris recognition and multi-modal biometric devices, software applications and services. On December 16, 2005, Viisage completed the acquisition of Integrated Biometric Technology LLC and its parent, Integrated Biometric Technology, Inc., companies providing fingerprinting products, services and solutions to government, civil and commercial customers that require criminal background checks and screening. On January 23, 2004, Viisage completed the acquisition of ZN Vision Technologies AG, or ZN, a leading German provider of face recognition and computer vision products and services. On February 14, 2004, Viisage completed the acquisition of TDT. On October 5, 2004, Viisage completed the acquisition of Imaging Automation, Inc., a market leader in identity document authentication. In March 2004, Identix acquired certain technology and intellectual property rights of Delean Vision Worldwide, Inc. In February 2004, Identix acquired the 50% percent interest in Sylvan Identix Fingerprint Centers, LLC (referred to as SIFC) that it did not own. Identix subsequently re-named SIFC to Identix Identification Services, LLC. In February 2004, Identix sold its wholly owned subsidiary, Identix Public Sector, Inc., whose business principally consisted of providing project management and facilities engineering services to government agencies. Identix acquired certain proprietary software and source code assets from a third party in October 2002. Identix merged with Visionics in June 2002 and acquired Identicator Technology, Inc. in fiscal year 1999. The continued integration of the products and services of these acquired companies with the combined company will be challenging and will consume significant financial and managerial resources. The challenges involved with integration include, among others:

- exposure to unknown liabilities of acquired companies or assets;
- higher than anticipated acquisition costs and expenses;

effects of costs and expenses of acquiring and integrating new businesses on the combined company s operating results and financial condition;

- effects of consolidated revenue loss associated with dispositions of material subsidiaries or assets;
- effects of costs and expenses of integrating and introducing new technologies;
- the difficulty and expense of assimilating the operations and personnel of the companies;
- disruption of the combined company s ongoing business;
- diversion of management time and attention;
- failure to maximize the combined company s financial and strategic position by the successful incorporation of acquired technology;
- failure to realize the potential of acquired technologies, complete product development, or properly obtain or secure appropriate protection of intellectual property rights;
- the maintenance of uniform standards, controls, procedures and policies;
- loss of key employees and customers as a result of changes in management;
- incurring amortization expenses;
- incurring impairment charges arising out of the combined company s assessments of goodwill and intangibles; and
- possible dilution to the combined company s stockholders.

In addition, the differences between business cultures and the geographic distances between the companies could present significant obstacles to the combined company s integration of Viisage s and Identix acquired companies. Viisage s and Identix strategy contemplates acquiring additional businesses, the integration of which may consume significant financial and managerial resources, and could have a severe negative impact on our business, financial condition and results of operations.

The acquisitions by Viisage and Identix could result in future impairment charges and other charges which could adversely affect the combined company s results of operations.

As a result of the acquisitions of SecuriMetrics, Integrated Biometric Technology, LLC, ZN Vision Technologies AG, Trans Digital Technologies Corporation and Imaging Automation, Viisage has recorded goodwill and other intangible assets of approximately $207 million at March 31, 2006. Goodwill and other intangibles expected to be recorded in connection with the merger amount to approximately $674.2 million and $103.9 million, respectively. Because goodwill represents a residual after the purchase price is allocated to acquired assets and liabilities, it is difficult to quantify the factors that contribute to the recorded amount. Nevertheless, management of Viisage and Identix believe that the following factors contribute to the estimated amount to be recorded in the merger:

- Identix technological development capabilities and intellectual capital;
- Identix expected significant growth in revenues and profits from the expanding market in identity solutions;
- expected synergies resulting from providing multi modal product offerings to Viisage s existing customer base and to new customers of the combined company;
- the premium paid by Viisage over the weighted average closing price of Identix common stock for 10 days prior to the announcement of the merger agreement, which increased the purchase price by approximately $288 million;
- the increase in purchase price of approximately $50 million resulting from the valuation of the outstanding in-the-money stock options and warrants; and
- the fact that Identix is not a capital intensive business and has few physical assets.

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The recorded amounts at the purchase date for goodwill and other intangible assets are estimates at a point in time and are based on valuations and other analyses of fair value that require significant estimates and assumptions about future events, including but not limited to projections of revenues, market growth, demand, technological developments, political developments, government policies, among other factors, which are derived from information obtained from independent sources, as well as the management of the acquired businesses and the combined company s business plans for the acquired businesses or intellectual property. If estimates and assumptions used to initially record goodwill and intangible assets do not materialize, or unanticipated adverse developments or events occur, ongoing reviews of the carrying amounts of such goodwill and intangible assets may result in impairments which will require the combined company to record a charge in the period in which such an impairment is identified, and could have a severe negative impact on its business, financial condition and results of operations.

The following factors also could result in material charges that would adversely affect the combined company s results:

- charges for in-process research and development;
- charges for stock-based compensation;
- accrual of newly identified pre-merger contingent liabilities, in which case the related charge could be required to be included in earnings in the period in which the accrual is determined to the extent it is identified subsequent to the finalization of the purchase price allocation; and
- charges to income to eliminate certain Viisage pre-merger activities that duplicate those of the combined company or charges to reduce its cost structure.

If the combined company does not achieve the expected benefits of the acquisitions made by Viisage and Identix, the price of the combined company s common stock could decline.

Viisage and Identix expect that the merger of Viisage and Identix, as well as the acquisitions that Viisage and Identix have made previously will enhance their leadership in the identity solutions industry through the combination of their technologies. However, the combination of such technologies might not meet the demands of the marketplace. If Viisage s and Identix technologies fail to meet such demand, customer acceptance of their biometric products could decline, which would have an adverse effect on their results of operations and financial condition. Further, they expect that the additions to their product portfolio will extend their reach into their current markets and provide a critical component to their comprehensive offering for new markets in need of identity solutions. However, there can be no assurance that their current customers or customers in new markets will be receptive to these additional offerings. Further, Viisage and Identix might not be able to market successfully their products and services to the customers of the companies they acquired. If their product offerings and services fail to meet the demands of this marketplace, their results of operations and financial condition could be adversely affected. There is also a risk that they will not achieve the anticipated benefits of the acquisitions as rapidly as, or to the extent, anticipated by financial or industry analysts, or that such analysts will not perceive the same benefits to the acquisitions as they do. If these risks materialize, the combined company s stock price could be adversely affected.

The success of Viisage s and Identix strategic plan to grow sales and develop relationships in Europe may be limited by risks related to conducting business in European markets.

Part of Viisage s and Identix strategy will be to increase sales and build additional relationships in European markets. Risks inherent in marketing, selling and developing relationships in European markets include those associated with:

economic conditions in European markets, including fluctuations in the relative values of the U.S. dollar and the Euro;

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taxes and fees imposed by European governments that may increase the cost of products and services; and

laws and regulations imposed by individual countries and by the European Union.

In addition, European intellectual property laws are different than U.S. intellectual property laws and Viisage and Identix will have to ensure that their intellectual property is adequately protected in foreign jurisdictions and that ZN s intellectual property is adequately protected in the United States. If Viisage and Identix do not adequately protect their intellectual property rights, competitors could use their proprietary technologies in non-protected jurisdictions and put them at a competitive disadvantage.

If Viisage s and Identix systems and products are not timely delivered or do not perform as promised, the combined company could experience increased costs, lower margins, liquidated damage payment obligations and harm to its reputation.

Viisage and Identix will be required to provide complex systems, such as their fingerprint readers, that will be required to operate on an as needed basis. This may in turn lead to delays or shortages in the availability of certain products, or, in some cases, the unavailability of certain products. The negative effects of any delay or failure could be exacerbated if the delay or failure occurs in products that provide personal security, secure sensitive computer data, authorize significant financial transactions or perform other functions where a security breach could have significant consequences. If a product launch is delayed or is the subject of an availability shortage because of problems with Viisage s and Identix ability to manufacture or assemble the product successfully on a timely basis, or if a product or service otherwise fails to meet performance criteria, Viisage and Identix may lose revenue opportunities entirely and/or experience delays in revenue recognition associated with a product or service in addition to incurring higher operating expenses during the period required to correct the defects.

There is a risk that for unforeseen reasons Viisage and Identix may be required to repair or replace a substantial number of products in use or to reimburse customers for products that fail to work or meet strict performance criteria. Viisage and Identix attempt to limit remedies for product failure to the repair or replacement of malfunctioning or noncompliant products or services, and also attempt to exclude or minimize exposure to product and related liabilities by including in their standard agreements warranty disclaimers and disclaimers for consequential and related damages as well as limitations on their aggregate liability. From time to time, in certain complex sale or licensing transactions, Viisage and Identix may negotiate liability provisions that vary from such standard forms. There is a risk that their contractual provisions may not adequately minimize their product and related liabilities or that such provisions may be unenforceable. Viisage and Identix carry product liability insurance, but existing coverage may not be adequate to cover potential claims. Although they will deploy back-up systems, the failure of their products to perform as promised could result in increased costs, lower margins, liquidated damage payment obligations and harm to their reputation. This could result in contract terminations and have a material adverse effect on the combined company s business and financial results.

Failure by Viisage and Identix to maintain the proprietary nature of their technology, intellectual property and manufacturing processes could have a material adverse effect on their business, operating results, financial condition, stock price, and their ability to compete effectively.

Viisage and Identix principally rely upon patent, trademark, copyright, trade secret and contract law to establish and protect their proprietary rights. There is a risk that claims allowed on any patents or trademarks they hold may not be broad enough to protect their technology. In addition, their patents or trademarks may be challenged, invalidated or circumvented and Viisage and Identix cannot be certain that the rights granted thereunder will provide competitive advantages to them. Moreover, any current or future issued or licensed patents, or trademarks, or currently existing or future developed trade secrets or know-how may not afford sufficient protection against competitors with similar technologies or processes, and the possibility exists that certain of Viisage s and Identix already issued patents or trademarks may infringe upon third party patents or

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trademarks or be designed around by others. In addition, there is a risk that others may independently develop proprietary technologies and processes, which are the same as, substantially equivalent or superior to Viisage s and Identix , or become available in the market at a lower price.

The combined company may have to litigate to enforce its patents or trademarks or to determine the scope and validity of other parties proprietary rights. Litigation could be very costly and divert management s attention. An adverse outcome in any litigation may have a severe negative effect on the combined company s financial results and stock price. To determine the priority of inventions, the combined company may have to participate in interference proceedings declared by the United States Patent and Trademark Office or oppositions in foreign patent and trademark offices, which could result in substantial cost and limitations on the scope or validity of the combined company s patents or trademarks.

In addition, foreign laws treat the protection of proprietary rights differently from laws in the United States and may not protect Viisage s and Identix proprietary rights to the same extent as U.S. laws. The failure of foreign laws or judicial systems to adequately protect their proprietary rights or intellectual property, including intellectual property developed on their behalf by foreign contractors or subcontractors may have a material adverse effect on their business, operations, financial results and stock price.

If Viisage and Identix fail to adequately manage their resources, it could have a severe negative impact on the combined company s financial results or stock price.

Viisage and Identix could be subject to fluctuations in technology spending by existing and potential customers. Accordingly, they will have to actively manage expenses in a rapidly changing economic environment. This could require reducing costs during economic downturns and selectively growing in periods of economic expansion. In addition, the combined company will be required to implement operational, financial and management information procedures and controls that are efficient and appropriate for the size and scope of its operations. The management skills and systems currently in place may not be adequate, and Viisage and Identix may not be able to manage any significant cost reductions or effectively provide for their growth.

Future acquisitions of companies or technologies may result in disruptions to the combined company s business.

Beyond the recent acquisitions made by Viisage and Identix, Viisage s and Identix growth strategy as a combined company includes additional acquisitions of companies or technologies that are complementary to their existing businesses. Future acquisitions could involve risks inherent in acquisitions, such as:

- challenges associated with integrating acquired technologies and the business and operations of acquired companies;
- exposure to unknown liabilities;
- diversion of managerial resources from day-to-day operations;
- possible loss of key employees, customers and suppliers;

- higher than expected transaction costs; and

- additional dilution to the combined company s existing stockholders if the combined company uses its common stock as consideration.

If Viisage and Identix fail to manage these challenges adequately, their results of operations and stock price could be adversely affected.

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Viisage and Identix may be unable to raise additional capital required to fund their operations and finance their growth and, even if they are successful in obtaining financing, they may be unable to do so on acceptable terms.

The installation of the combined company s secure credentials systems and its research and development requires significant capital in advance of anticipated revenues. Moreover, the combined company s strategy includes growth of its business through acquisitions. At March 31, 2006, Viisage had cash of $46.4 million, and Identix had combined cash and marketable securities of $33.9 million. While Viisage and Identix believe the combined company will have adequate capital to meet the requirements of its business and as independent companies Viisage and Identix have been successful in obtaining financing for working capital, capital expenditures and acquisitions, Viisage and Identix expect to have ongoing capital needs as a combined company as they continue to expand the business of the combined company. Even if Viisage and Identix are successful in raising additional financing, they may not be able to do so on terms that are not excessively dilutive to existing stockholders or less costly than existing sources of financing. Failure to secure additional financing in a timely manner and on satisfactory commercial terms could have a material adverse effect on the combined company s financial performance and stock price and could require Viisage and Identix to delay or abandon the combined company s development and expansion plans or to implement certain cost reduction initiatives resulting in the curtailment of the combined company s operations.

If Viisage and Identix fail to attract and retain qualified senior executive and key technical personnel, their ability to remain competitive could be adversely affected.

Viisage and Identix believe that the continued service of their executive officers will be important to their future growth and competitiveness. They expect to enter into new employment and/or service agreements with current Viisage, Identix and L-1 executives in connection with the merger. These agreements are intended to provide the executives with incentives to remain employed by the combined company. However, Viisage and Identix cannot assure you that they will reach agreement with these executives. In addition, Viisage and Identix believe that the continued employment of key members of Viisage s and Identix technical and sales staffs is important to the combined company. Most of Viisage s and Identix employees are entitled to voluntarily terminate their relationship with Viisage or Identix, typically without any, or with only minimal, advance notice. The process of finding additional trained personnel to carry out Viisage s and Identix strategy could be lengthy, costly and disruptive. Viisage and Identix may be unable to retain the services of all of their key employees or a sufficient number of them to execute Viisage s and Identix plans. In addition, Viisage and Identix may be unable to attract new employees as required.

Viisage s and Identix quarterly results could be volatile and may cause their stock price to fluctuate.

Viisage and Identix have experienced fluctuations in quarterly operating results and they expect those fluctuations to continue. They expect that their quarterly results will continue to be affected by, among other things, factors such as:

- unavailability or delays in authorization of government funding or cancellations, delays or contract amendments by government agency customers;
- reduced demand for products and services caused, for example, by product offerings from new competitors;
- the inability to timely and successfully (i) complete development of complex designs, components and products, (ii) complete new product introductions that may result in improved gross margins, (iii) manufacture in volume or install certain of the combined company s complex products or (iv) obtain relevant government agency certifications for newly introduced products on a timely basis;

changes in the mix of products and services Viisage or Identix or their distributors sell;

the readiness of customers to accept delivery of new products on a timely basis;

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- protests of federal, state or local government contract awards by competitors;
- unforeseen legal expenses, including litigation and/or administrative protest costs;
- expenses related to acquisitions or mergers;
- impairment charges arising out of their assessments of goodwill and intangibles;
- other one-time financial charges;
- the lack of availability or increase in cost of key components and subassemblies;
- competitive pricing pressures; and
- unpredictable product installation schedules.

Particularly important is the need to invest in planned technical development programs to maintain and enhance the combined company s competitiveness, and to successfully develop and launch new products and services on a timely basis. Managing and improving the likelihood of success of such programs requires the development of budgets, plans and schedules for the execution of these programs and the adherence to such budgets, plans and schedules. The majority of such program costs are payroll and related staff expenses, and secondarily materials, subcontractors and promotional expenses. These costs are very difficult to adjust in response to short-term fluctuations in the combined company s revenues, compounding the difficulty of achieving profitability in the event of a revenue downturn.

The combined company s lengthy and variable sales cycle will make it difficult to predict operating results.

Certain of the combined company s products often have a lengthy sales cycle while the customer evaluates and receives approvals for purchase. If, after expending significant funds and effort, the combined company fails to receive an order, a negative impact on its financial results and stock price could result. It is difficult to predict accurately the sales cycle of any large order for any of its products. If the combined company does not ship and or install one or more large orders as forecast for a fiscal quarter, its total revenues and operating results for that quarter could be materially and adversely affected.

Certain of Viisage s stockholders have significant relationships with Viisage, which could result in it taking actions that are not supported by unaffiliated stockholders.

In connection with the Aston investment, Aston became the largest stockholder of Viisage. As of June 30, 2006, Aston beneficially owned approximately 28.5% of Viisage s outstanding common stock, including vested options and warrants (or 29.1% when considered with its affiliate, L-1). Based on the number of shares of Identix outstanding as of June 30, 2006, upon consummation of the merger, Aston will own approximately 11.8% of the combined company. In addition, Lau Technologies, or Lau, and Mr. Buddy Beck, beneficially own approximately

7.4% and 7.9%, respectively, of Viisage s outstanding common stock and will beneficially own approximately 3.0% and 3.2% upon completion of the merger. As a result, Aston (together with its affiliate, L-1), Lau and Mr. Beck have a strong influence on matters requiring approval by Viisage s stockholders, including the election of directors and most corporate actions, such as mergers and acquisitions. In addition, Viisage has significant relationships with each of L-1, Aston, Lau and Mr. Beck, including:

Mr. Robert LaPenta, the founder and Chief Executive Officer of L-1, an affiliate of Aston, is Chairman of the board of directors of Viisage and will become Chairman of the Board and Chief Executive Officer of the combined company;

James DePalma, Joseph Paresi and Doni Fordyce, who are affiliates of L-1 and Aston Capital Partners, L.P., will serve as the Chief Financial Officer and Treasurer, Chief Sales and Marketing Officer and Executive Vice President, respectively, of the combined company. Subject to the consummation of the merger, Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce will receive initial annual base salaries

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of $550,000, $325,000, $225,000 and $200,000, respectively, plus certain bonuses, options to purchase an aggregate 800,000 shares of common stock of Viisage and other benefits, pursuant to employment agreements to be entered into with Viisage, each commencing at the effective time of the merger and continuing for three years;

pursuant to a consulting agreement to be entered into between L-1 and Viisage, L-1 will receive a one-time fee of $2.5 million simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and other transactions, including, without limitation, assisting Viisage in (1) analyzing the operations and historical performance of target companies; (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other matters;

Aston and Viisage have reached an agreement in principle whereby Aston has agreed to sell AFIX Technologies, Inc., a portfolio company of Aston which provides fingerprint and palmprint identification software to local law enforcement agencies, to the combined entity at fair market value, which will be determined by an independent appraiser. At the time of this joint proxy statement/prospectus, no other terms of this potential sale have been approved and it is subject to the negotiation, execution and delivery of a definitive acquisition agreement mutually acceptable to the parties;

in connection with the relocation of the corporate headquarters of Viisage to the present offices of L-1 in Stamford, Connecticut, Viisage has entered into a sublease with L-1, pursuant to which the combined company will pay the rent and other costs payable by L-1 from the effective time of the merger until the earlier of (i) the expiration or termination of the lease or (ii) unless otherwise mutually agreed to by Viisage and L-1, as promptly as practicable but in no event later than 60 days following the date upon which Mr. LaPenta ceases to be Chief Executive Officer of the combined company for any reason. Viisage estimates the costs related to the sublease to be approximately $720,000 per year;

in connection with the merger, Viisage entered into an arms-length agreement with Bear Stearns pursuant to which Bear Stearns provided financial advisory services related to the merger. The spouse of Ms. Fordyce is a partner and senior investment banker at Bear Stearns involved with the Viisage engagement and certain employees of Bear Stearns have substantial personal investments in L-1. Pursuant to the letter agreement, Bear Stearns is entitled to a fee of $2.5 million upon the closing of the merger, plus expense reimbursement, as well as exclusive rights to act as underwriter, placement agent and/or financial advisor to Viisage with respect to certain financings and other corporate transactions in the future;

Viisage acquired significant intellectual property, contracts and distribution channels through a transaction with Lau in January 2002 under which Viisage agreed to pay Lau a 3.1% royalty on certain of its face recognition revenues through June 30, 2014, up to a maximum of $27.5 million;

in connection with the above transaction with Lau, Viisage entered into consulting agreements with Joanna Lau, the President of Lau, and her spouse Denis K. Berube, the Chief Operating Officer of Lau who also serves as a director on Viisage s board of directors under which Viisage will pay each of Ms. Lau and Mr. Berube $125,000 per year through the earlier of January 10, 2012 or the commencement of the consultant s full-time employment elsewhere;

Mr. Berube and Ms. Lau own a majority of Lau s voting stock;

in connection with the acquisition of TDT in February 2004, Mr. Beck was elected a member of Viisage s board of directors; and

in connection with the acquisition of TDT, Viisage entered into a consulting agreement with Mr. Beck under which Viisage agreed to pay Mr. Beck $300,000 per year for two years, provided that Mr. Beck devotes his full business time to developing business opportunities for Viisage; that consulting agreement terminated on April 16, 2006.

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As of March 31, 2006, Kern Capital Management LLC owned approximately 8.5% of Identix outstanding common stock and, upon consummation of the merger, based on the number of shares of Identix outstanding on June 30, 2006, will own approximately 5% of the outstanding common stock of the combined company.

The concentration of large percentages of ownership in any single stockholder, or in any series of single stockholders, may delay or prevent change in control of the combined company. Additionally, the sale of a significant number of the combined company s shares in the open market by single stockholders or otherwise could adversely affect its stock price.

Provisions in Viisage s organizational documents and under Delaware law could delay or prevent a change in control of Viisage, which could adversely affect the price of Viisage common stock.

The existence of some provisions in Viisage s organizational documents and under Delaware law could delay or prevent a change in control of Viisage, which could adversely affect the price of Viisage common stock. The provisions in Viisage s certificate of incorporation and bylaws that could delay or prevent an unsolicited change in control of Viisage include a staggered board of directors, board authority to issue preferred stock, and advance notice provisions for director nominations or business to be considered at a stockholder meeting. The adoption of Proposal No. 2A relating to the increase in the number of authorized shares of Viisage common stock, which is necessary to effect and a condition to the exchange of shares in the merger, could have an anti-takeover effect because it may allow the board of directors to delay or impede a takeover or transfer of control of Viisage by causing additional authorized shares to be issued to holders who might side with the board in opposing a takeover bid. The adoption of Proposals No. 2D and 2E could have the effect of delaying or preventing an unsolicited change in control of Viisage because it would require approval of two thirds of the entire board of directors and independent directors to increase or decrease the size of the board of directors or to amend the provisions of Viisage s certificate of incorporation relating to increasing or decreasing the size of the board of directors and granting the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board. Delaware law also imposes restrictions on mergers and other business combinations between Viisage and any holder of 15% or more of Viisage outstanding common stock. See Description of Viisage s Capital Stock on page 140 and Viisage Proposals No. 2A-2E Amendments to the Viisage Certificate of Incorporation on page 114.

Additional Risks Related To The Business Of Identix

Identix faces intense competition from other biometric solution providers as well as identification and security systems providers.

A significant number of established and startup companies are marketing or developing software and hardware for facial, skin and fingerprint biometric products and applications that currently compete or will compete directly with Identix current offerings. Some of these companies are marketing or developing semiconductor or optically based direct contact fingerprint image capture devices, or retinal blood vessel, iris pattern, hand geometry, voice or various types of facial structure solutions. If one or more of these competing technologies or approaches were widely adopted, it would significantly reduce the potential market for Identix products. Identix security and identity related line of products and applications also compete with non-biometric technologies such as certificate authorities, smart card security solutions, and traditional key, card, surveillance systems and passwords. Many competitors offering products that compete with Identix security and identity related line of products and applications have significantly more financial and other resources than Identix.

Identix facial biometric products face intense competition from a number of competitors who are actively engaged in developing and marketing facial-based recognition or security products. Among these competitors are Cognitec Systems GmbH and Imagis Technologies, Inc. Identix live scan line of products also faces intense competition from a number of competitors, including without limitation CrossMatch Technologies, Inc., which recently merged with Smiths Heimann Biometrics GmbH.

The biometric security market is rapidly evolving and intensely competitive, and Identix believes that additional significant long-term competitors will continue to enter the market. Identix expects competition in the biometrics markets to increase and intensify in the near term. Companies competing with Identix may introduce products that are competitively priced, have increased performance or functionality or incorporate technological advances Identix has not yet developed or implemented. Some present and potential competitors have financial, marketing, research, and manufacturing resources substantially greater than those of Identix. Other players in the biometric industry who offer complementary products or private label products manufactured by Identix direct competitors do have the potential to directly compete with Identix. Among these companies are Sagem Morpho, Inc., Cogent, NEC, Printrak International, Inc., (a Motorola company), and Saflink.

The biometrics industry is characterized by rapid technological change and requires introduction of new and enhanced products at competitive prices.

In order to compete effectively in the biometrics market, Identix must continually design, develop or acquire and market new and enhanced products at competitive prices and Identix must have the resources available to invest in significant research and development activities. Identix future success will depend upon Identix ability to address the changing and sophisticated needs of the marketplace. Frequently, technical development programs in the biometric industry require assessments to be made of the future directions of technology and technology markets generally, which are inherently risky and difficult to predict. Delays in introducing new products, services and enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products and services at competitive prices may cause customers to forego purchases of Identix products and services and purchase those of Identix competitors, and could adversely affect Identix business operations, financial results and stock price.

Continued participation by Identix in the market for Live Scan systems that are linked to forensic quality databases under the jurisdiction of governmental agencies may require the investment of Identix resources in upgrading Identix products and technology for Identix to compete and to meet regulatory and statutory standards. Identix may not have adequate resources available to it or may not adequately keep pace with appropriate requirements in order to effectively compete in the marketplace.

Identix business will not grow unless the market for biometric products and services expands both domestically and internationally.

Identix revenues are derived from the sale of biometric products and services. Biometric products have not gained widespread commercial acceptance. Identix cannot accurately predict the future growth rate, if any, or the ultimate size of the biometric technology market. The expansion of the market for Identix products depends on a number of factors including without limitation:

- national or international events which may affect the need for or interest in biometric products or services;
- the cost, performance and reliability of Identix products and services and those of Identix competitors;
- customers perception of the perceived benefit of biometric products and services and their satisfaction with Identix products and services;
- public perceptions of the intrusiveness of these products and services and the manner in which firms are using the information collected;

- public perceptions regarding the confidentiality of private information;
- proposed or enacted legislation related to privacy of information; and
- marketing efforts and publicity regarding these products and services.

Certain groups have publicly objected to the use of biometric products for some applications on civil liberties grounds and legislation has been proposed to regulate the use of biometric security products. From time to time, biometrics technologies have been the focus of organizations and individuals seeking to curtail or eliminate such technologies on the grounds that they may be used to diminish personal privacy rights. If such

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initiatives result in restrictive legislation, the market for biometric solutions may be adversely affected. Even if biometric solutions gain wide market acceptance, Identix products and services may not adequately address the requirements of the market and may not gain wide market acceptance.

Identix derives a significant amount of its revenue from government contracts, which are often non-standard, involve competitive bidding, may be subject to cancellation without penalty and may produce volatility in earnings and revenue.

Identix performance in any reporting period may be adversely affected because of its reliance on a small number of large customers, the majority of which are government agencies. Government contracts frequently include provisions that are not standard in private commercial transactions. For example, government contracts often include bonding requirements and provisions permitting the purchasing agency to cancel the contract for convenience at any time without penalty in certain circumstances. As public agencies, these prospective customers are also subject to public agency contract requirements that vary from jurisdiction to jurisdiction. Some of these requirements may be onerous or impossible to satisfy.

In many instances, the procurements of Identix federal, state and local customers are dependent on the availability or continued availability of federal, state or local government funds or grants and general tax funding. Such funding may not be approved or, if approved, it may not be available for the purchase of Identix products or solutions, and even if such funding is approved and available, such funds may be subject to termination at any time at the sole discretion of the government body providing or receiving such funds.

Additionally, public agency contracts are frequently awarded only after formal competitive bidding processes, which are often protracted. In some cases, unsuccessful bidders for public agency contracts are provided the opportunity to formally protest certain contract awards through various agency, administrative and judicial channels. The protest process may delay a successful bidder s contract performance for a number of weeks, months or more, or result in the cancellation of the contract award entirely. There is a risk that Identix may not be awarded contracts for which it bids or, if awarded, that substantial delays or cancellation of purchases may follow as a result of third party protests. For example, in October 2003, Identix announced that is had been awarded a Blanket Purchase Order (referred to as BPO) from the Department of Homeland Security (referred to as DHS) with an estimated value of approximately $27 million. The award was subsequently protested by one of Identix competitors who had been an unsuccessful participant in the bidding process for the BPO. Though the protest was ultimately resolved in Identix favor, the protest resulted in substantial delays in DHS procurement of Identix technology under the BPO. Similar protests, and similar delays, regarding any future government contracts of a material nature that may be awarded to Identix could result in materially adverse revenue volatility, making management of inventory levels, cash flow and profitability or loss inherently difficult. Outright loss of any material government contract, through the protest process or through termination for convenience by the customer or otherwise, could have a material adverse effect on Identix financial results and stock price.

Similar to federal government contracts, state and local government agency contracts may be contingent upon availability of matching funds from federal, state or local entities. State and local law enforcement and other government agencies are subject to political, budgetary, purchasing and delivery constraints which may continue to result in quarterly and annual revenues and operating results that may be irregular and difficult to predict. Such revenue volatility makes management of inventory levels, cash flow and profitability inherently difficult. In addition, if Identix is successful in winning such procurements, there may be unevenness in shipping schedules, as well as potential delays and changes in the timing of deliveries and recognition of revenue, or cancellation of such procurements.

For the nine months ended March 31, 2006 and 2005, Identix derived approximately 21% and 26%, respectively, of its revenue directly from contracts relating to the U.S. Federal Government with no one agency producing more than 10% of the total revenues in the nine months ended March 31, 2006 and one agency producing 10% of total revenues for the nine months ended March 31, 2005. The loss of a material government contract due to budget cuts or otherwise could have a material adverse impact on Identix financial results and stock price.

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Identix financial and operating results often vary significantly from quarter to quarter and may be negatively affected by a number of factors.

Identix financial and operating results may fluctuate from quarter to quarter because of the following reasons:

- unavailability or delays in authorization of government funding or cancellations, delays or contract amendments by government agency customers;
- reduced demand for products and services caused, for example, by product offerings from new competitors;
- the inability to timely and successfully (i) complete development of complex designs, components and products, (ii) complete new product introductions that may result in improved gross margins, (iii) manufacture in volume or install certain of Identix complex products or (iv) obtain relevant government agency certifications for newly introduced products on a timely basis;
- changes in the mix of products and services Identix or its distributors sell;
- the readiness of customers to accept delivery of new products on a timely basis;
- protests of federal, state or local government contract awards by competitors;
- unforeseen legal expenses, including litigation and/or administrative protest costs;
- expenses related to acquisitions or mergers;
- impairment charges arising out of Identix assessments of goodwill and intangibles;
- other one-time financial charges;
- the lack of availability or increase in cost of key components and subassemblies;
- competitive pricing pressures; and
- unpredictable product installation schedules.

Particularly important is the need to invest in planned technical development programs to maintain and enhance Identix competitiveness, and to successfully develop or acquire and launch new technology, products and services on a timely basis. Managing and improving the likelihood of success of such programs requires the development of budgets, plans and schedules for the execution of these programs and the adherence to such budgets, plans and schedules. The majority of such program costs are payroll and related staff expenses, and secondarily materials, subcontractors and promotional expenses. These costs are very difficult to adjust in response to short-term fluctuations in Identix revenues, compounding the difficulty of achieving profitability in the event of a revenue downturn.

Identix results of operations may be harmed by governmental credit and other policies.

Identix extends substantial credit to federal, state and local governments in connection with sales of its products and services. Sales to sizeable customers requiring large and sophisticated networks of fingerprint recognition and Live Scan systems and peripheral equipment often include technical requirements which may not be fully known at the time requirements are specified by the customer. In addition, contracts may specify performance criteria that must be satisfied before the customer accepts the products and services. Collection of accounts receivable may be dependent on completion of customer requirements, which may be unpredictable, subject to change by the customer, and not fully understood by us at the time of acceptance of the order, and may involve investment of additional resources. These investments of additional resources are accrued when amounts can be estimated but may be uncompensated and negatively affect profit margins and Identix liquidity.

Additionally, without regard to termination of funding, government agencies both domestically and internationally may successfully assert the right to terminate business or funding relationships with Identix at their sole discretion without adequate or any compensation or recourse for Identix.

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A security breach or failure in systems that Identix sells could result in the disclosure of private personal information that could harm Identix business by adversely affecting the market s perception of Identix products and services.

Many of the systems Identix sells are designed to secure or manage private personal information or information maintained by governmental agencies. In addition to being costly to repair and causing delays and other difficulties, a security breach or failure in one of these systems could cause serious harm to Identix business as a result of negative publicity or decisions by governmental clients to limit Identix access or involvement with this information.

The terrorist attacks of September 11, 2001, and the continuing threat of global terrorism, have increased financial expectations that may not materialize.

The September 11, 2001 terrorist attacks, and continuing concerns about global terrorism, may have created an increase in awareness for biometric security solutions generally. However, it is uncertain whether the actual level of demand for Identix biometric products and services will grow as a result of such increased awareness. Increased demand may not result in an actual increase in Identix revenues. In addition, it is uncertain which security solutions, if any, will be adopted as a result of terrorism and whether Identix products will be a part of those solutions. Efforts in the war against terrorism, the war in Iraq, and the post-war reconstruction efforts in Iraq, may actually delay funding for the implementation of biometric solutions generally. Even if Identix products are considered or adopted as solutions to the terrorism, the level and timeliness of available funding are unclear. These factors may adversely impact Identix and create unpredictability in revenues and operating results.

Identix lengthy and variable sales cycle will make it difficult to predict operating results.

Certain of Identix products often have a lengthy sales cycle while the customer evaluates and receives approvals for purchase. If, after expending significant funds and effort, Identix fails to receive an order, a negative impact on Identix financial results and stock price could result.

It is difficult to predict accurately the sales cycle of any large order for any of Identix products. If Identix does not ship and or install one or more large orders as forecast for a fiscal quarter, its total revenues and operating results for that quarter could be materially and adversely affected.

The substantial lead-time required for ordering parts and materials may lead to inventory problems.

The lead-time for ordering parts and materials and building many of Identix products can be many months. As a result, Identix must order certain parts and materials and build its products based on forecasted demand. If demand for Identix products lags significantly behind its forecasts, Identix may produce more products than it can sell, which can result in cash flow problems and write-offs or write-downs of obsolete inventory.

Identix relies in part upon original equipment manufacturers (referred to as OEM) and distribution partners to distribute its products, and it may be adversely affected if those parties do not actively promote its products or pursue installations that use its equipment.

A significant portion of Identix revenue comes from sales to partners including OEMs, systems integrators, distributors and resellers. Some of these relationships have not been formalized in a detailed contract, and may be subject to termination at any time. Even where these relationships are formalized in a detailed contract, the agreements are often terminable with little or no notice and subject to periodic amendment. Identix cannot control the amount and timing of resources that its partners devote to activities on Identix behalf.

Identix intends to continue to seek strategic relationships to distribute, license and sell certain of its products. Identix, however, may not be able to negotiate acceptable relationships in the future and cannot predict whether current or future relationships will be successful.

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Loss of sole or limited source suppliers may result in delays or additional expenses.

Identix obtains certain hardware components and complete products, as well as software applications, from a single source or a limited group of suppliers. Identix does not have long-term agreements with any of its suppliers. Identix will experience significant delays in manufacturing and shipping of products to customers if it loses these sources or if supplies from these sources are delayed.

As a result, Identix may be required to incur additional development, manufacturing and other costs to establish alternative sources of supply. It may take several months to locate alternative suppliers, if required, or to re-tool Identix products to accommodate components from different suppliers. Identix cannot predict if it will be able to obtain replacement components within the time frames it requires at an affordable cost, or at all. Any delays resulting from suppliers failing to deliver components or products on a timely basis in sufficient quantities and of sufficient quality or any significant increase in the price of components from existing or alternative suppliers could have a severe negative impact on Identix financial results and stock price.

Identix plan to pursue sales in international markets may be limited by risks related to conditions in such markets.

For the nine months ended March 31, 2006, Identix derived approximately 12% of its total revenues from international sales. Identix currently has a local presence in the United Kingdom.

There is a risk that Identix may not be able to successfully market, sell and deliver its products in foreign countries.

Risks inherent in marketing, selling and delivering products in foreign and international markets, each of which could have a severe negative impact on Identix financial results and stock price, include those associated with:

- regional economic instabilities or political conditions;
- delays in or absolute prohibitions on exporting products resulting from export restrictions for certain products and technologies, including crime control products and encryption technology;
- loss of, or delays in importing products, services and intellectual property developed abroad, resulting from unstable or fluctuating social, political or governmental conditions;
- fluctuations in foreign currencies and the U.S. dollar;
- loss of revenue, property (including intellectual property) and equipment from expropriation, nationalization, war, insurrection, terrorism, criminal acts and other political and social risks;

the overlap of different tax structures;

seasonal reductions in business activity;

risks of increases in taxes and other government fees; and

involuntary renegotiations of contracts with foreign governments, or outright termination of contracts by such governments.

Individual stockholders owning a significant portion of Identix stock may have the ability to delay or prevent a change in control or adversely affect the stock price through sales in the open market.

As of March 31, 2006, Kern Capital Management LLC owned approximately 8.5% of Identix outstanding common stock. The concentration of large percentages of ownership in any single stockholder, or in any series of single stockholders, may delay or prevent change in control of Identix. Additionally, the sale of a significant number of Identix shares in the open market by single stockholders or otherwise could adversely affect Identix stock price.

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Identix may be subject to loss in market share and market acceptance as a result of performance failures, manufacturing errors, delays or shortages.

Performance failure in Identix products may cause loss of market share, delay in or loss of market acceptance, additional warranty expense or product recall, or other contractual liabilities. The complexity of certain of Identix fingerprint readers makes the manufacturing and assembly process of such products, especially in volume, complex. This may in turn lead to delays or shortages in the availability of certain products, or, in some cases, the unavailability of certain products. The negative effects of any delay or failure could be exacerbated if the delay or failure occurs in products that provide personal security, secure sensitive computer data, authorize significant financial transactions or perform other functions where a security breach could have significant consequences. If a product launch is delayed or is the subject of an availability shortage because of problems with Identix ability to manufacture or assemble the product successfully on a timely basis, or if a product or service otherwise fails to meet performance criteria, Identix may lose revenue opportunities entirely and/or experience delays in revenue recognition associated with a product or service in addition to incurring higher operating expenses during the period required to correct the defects. There is a risk that for unforeseen reasons Identix may be required to repair or replace a substantial number of products in use or to reimburse customers for products that fail to work or meet strict performance criteria. Identix carries product liability insurance, but existing coverage may not be adequate to cover potential claims.

Identix may be subject to repair, replacement, reimbursement and liability claims as a result of products that fail to work or to meet applicable performance criteria.

There is a risk that for unforeseen reasons Identix may be required to repair or replace a substantial number of products in use or to reimburse customers for products that fail to work or meet strict performance criteria. Identix attempts to limit remedies for product failure to the repair or replacement of malfunctioning or noncompliant products or services, and also attempts to exclude or minimize exposure to product and related liabilities by including in Identix standard agreements warranty disclaimers and disclaimers for consequential and related damages as well as limitations on Identix aggregate liability. From time to time, in certain complex sale or licensing transactions, Identix may negotiate liability provisions that vary from such standard forms. There is a risk that Identix contractual provisions may not adequately minimize its product and related liabilities or that such provisions may be unenforceable. Identix carries product liability insurance, but existing coverage may not be adequate to cover potential claims. Identix maintains warranty reserves as deemed adequate by management.

Failure by Identix to maintain the proprietary nature of its technology, intellectual property and manufacturing processes could have a material adverse effect on its business, operating results, financial condition, stock price, and on its ability to compete effectively.

Identix principally relies upon patent, trademark, copyright, trade secret and contract law to establish and protect its proprietary rights. There is a risk that claims allowed on any patents or trademarks Identix holds may not be broad enough to protect its technology. In addition, Identix patents or trademarks may be challenged, invalidated or circumvented and Identix cannot be certain that the rights granted thereunder will provide competitive advantages to Identix. Moreover, any current or future issued or licensed patents, or trademarks, or currently existing or future developed trade secrets or know-how may not afford sufficient protection against competitors with similar technologies or processes, and the possibility exists that certain of Identix already issued patents or trademarks may infringe upon third party patents or trademarks or be designed around by others. In addition, there is a risk that others may independently develop proprietary technologies and processes, which are the same as, substantially equivalent or superior to those of Identix, or become available in the market at a lower price.

In addition, foreign laws treat the protection of proprietary rights differently from laws in the United States and may not protect Identix proprietary rights to the same extent as U.S. laws. The failure of foreign laws or judicial systems to adequately protect Identix proprietary rights or intellectual property, including intellectual property developed on Identix behalf by foreign contractors or subcontractors may have a material adverse effect on Identix business, operations, financial results and stock price.

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There is a risk that Identix has infringed or in the future will infringe patents or trademarks owned by others, that it will need to acquire licenses under patents or trademarks belonging to others for technology potentially useful or necessary to it, and that licenses will not be available to Identix on acceptable terms, if at all.

Identix may have to litigate to enforce Identix patents or trademarks or to determine the scope and validity of other parties proprietary rights. Litigation could be very costly and divert management s attention. An adverse outcome in any litigation may have a severe negative effect on Identix financial results and stock price. To determine the priority of inventions, Identix may have to participate in interference proceedings declared by the United States Patent and Trademark Office or oppositions in foreign patent and trademark offices, which could result in substantial cost and limitations on the scope or validity of Identix patents or trademarks.

Identix also relies on trade secrets and proprietary know-how, which it seeks to protect by confidentiality agreements with its employees, consultants, service providers and third parties. There is a risk that these agreements may be breached, and that the remedies available to Identix may not be adequate. In addition, Identix trade secrets and proprietary know-how may otherwise become known to or be independently discovered by others.

If Identix is unable to successfully address the material weakness in its internal controls, its ability to report its financial results on a timely and accurate basis may be adversely affected. As a result, current and potential stockholders could lose confidence in Identix financial reporting which could have a material adverse effect on its business, operating results and stock price.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, beginning with Identix annual report on Form 10-K for the fiscal year ended June 30, 2005 (as supplemented by Identix Form 8-K filed with the SEC on February 13, 2006), Identix is required to furnish a report by its management on its internal control over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of Identix internal control over financial reporting as of the end of its fiscal year, including a statement as to whether or not Identix internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in Identix internal control over financial reporting identified by management. Such report must also contain a statement that Identix auditors have issued an attestation report on management s assessment of such internal controls.

As of June 30, 2005, management concluded that a material weakness existed as Identix did not maintain effective controls to properly allocate and report the deferred income tax provision (benefit) arising from the sale of a subsidiary between continuing and discontinued operations. In addition, management did not maintain effective monitoring controls to detect or prevent an inappropriate income tax allocation between continuing and discontinued operations. Because of this material weakness, management concluded that Identix did not maintain effective internal control over financial reporting as of June 30, 2005, September 30, 2005, December 31, 2005 and March 31, 2006. PricewaterhouseCoopers, LLP (PWC), Identix independent registered public accounting firm for the year ended June 30, 2005, agreed with management s conclusion as to the ineffectiveness of Identix internal controls in PWC s report on internal control over financial reporting for such year. If Identix is unable to successfully address the material weakness in its internal controls, its ability to report its financial results on a timely and accurate basis may be adversely affected. As a result, current and potential stockholders could lose confidence in Identix financial reporting which could have a material adverse effect on its business, operating results and stock price.

Management identified the steps necessary to address the material weaknesses described above, and began to execute remediation plans. Identix implemented a more in-depth and comprehensive process to account for income taxes in order to remediate the material weakness discussed above. As part of this new procedure Identix now conducts additional research and has added an additional level of management personnel to the review process to ensure the proper accounting for income taxes. In addition, Identix implemented a process to give specific consideration to income tax implications of significant discrete period non-routine transactions, such as,

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but not limited to, acquisitions or dispositions of businesses or assets. Although Identix has implemented the remediation procedures as described above, it cannot yet assert that the remediation is effective as Identix has not had sufficient time to test the operating effectiveness of the newly implemented controls.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations and NASDAQ National Market rules, are creating uncertainty for companies such as Identix. These new or changed laws, regulations and standards are subject to varying interpretations in many cases due to their lack of specificity, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Identix is committed to maintaining high standards of corporate governance and public disclosure. As a result, Identix intends to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. If Identix efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, its reputation may be harmed.

If Identix fails to adequately manage the size of its business, it could have a severe negative effect on its financial results or stock price.

Identix management believes that in order to be successful Identix must appropriately manage the size of its business. This may mean reducing costs and overhead in certain economic periods, and selectively growing in periods of economic expansion. In addition, Identix will be required to implement operational, financial and management information procedures and controls that are efficient and appropriate for the size and scope of its operations. The management skills and systems currently in place may not be adequate and Identix may not be able to manage any significant cost reductions or effectively provide for its growth.

If Identix fails to attract and retain qualified senior executive and key technical personnel, its business will not be able to expand.

Identix is dependent on the continued availability of the services of its employees, many of whom are individually key to Identix future success, and the availability of new employees to implement Identix business plans. The market for skilled employees is highly competitive, especially for employees in technical fields. Although Identix compensation programs are intended to attract and retain the employees required for us to be successful, there can be no assurance that Identix will be able to retain the services of all its key employees or a sufficient number to execute its plans, nor can there be any assurance Identix will be able to continue to attract new employees as required.

Identix personnel may voluntarily terminate their relationship with Identix at any time, and competition for qualified personnel, especially engineers, is intense. The process of locating additional personnel with the combination of skills and attributes required to carry out Identix strategy could be lengthy, costly and disruptive.

If Identix loses the services of key personnel, or fails to replace the services of key personnel who depart, it could experience a severe negative effect on its financial results and stock price. In addition, there is intense competition for highly qualified engineering and marketing personnel in the locations where Identix principally operates. The loss of the services of any key engineering, marketing or other personnel or Identix failure to attract, integrate, motivate and retain additional key employees could have a material adverse effect on its business, operating and financial results and stock price.

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SPECIAL NOTE 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 joint proxy statement/prospectus contains such forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Words such as anticipate, believe, estimate, expect, intend, may, plan, project, seek, will and words and terms of similar subs connection with any discussion of future operating or financial performance, or expected strategic benefits, advantages and other effects of the merger or any statements about Identix business or operating results identify forward-looking statements. These statements are based on Viisage s and Identix current expectations and beliefs and are subject to a number of risks and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements.

In particular, statements that involve risks and uncertainties regarding the expected strategic benefits, objectives, advantages, expectations and intentions and other effects of the merger described in sections such as The Merger Our Reasons for the Merger, Other Factors Considered by the Viisage Board and Other Factors Considered by the Identix Board and elsewhere in this document are forward-looking statements. In addition, some statements about Identix business, revenues, revenue mix, gross margin, operating expense levels, financial outlook, commitments under existing leases, research and development initiatives, sales and marketing initiatives and competition in sections such as Information Regarding Viisage s Business, Management s Discussion and Analysis of Financial Conditions and Results of Operations of Viisage, and Quantitative and Qualitative Disclosures About Market Risk of Viisage and elsewhere in this document are forward-looking statements. These forward-looking statements include:

- statements of strategies and objectives for future operations, including that the merger will:
  - strengthen the combined company s activities;
  - add a base of new customers and expand the scope of the combined company s products;
  - be better positioned to take advantage of market opportunities than either company would be on a stand-alone basis;
  - expectations regarding the completion of the merger and statements regarding future acquisitions;
- statements regarding integration plans;
- statements concerning proposed services or developments, including that the combined company:
  - have significant opportunities for product synergies;

- be able to offer customers a comprehensive portfolio of identity protection and security solutions;

statements regarding future economic conditions, performance or business prospects;

statements of belief, including that:

- the merger will enhance long-term growth opportunities;

- the merger will expand the total addressable market available to the combined company; and

- the combined company will have the scale to better compete in this environment;

statements regarding competitors or competitive actions; and

statements of assumptions underlying any of the foregoing.

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These statements are subject to uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. All forward-looking statements are 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 or implied by the forward-looking statements. The risks related to the merger and to Viisage s business after the merger discussed under Risk Factors of this joint proxy statement/prospectus, among others, could cause actual results to differ materially from those described in or implied by the forward-looking statements. Such risks include, among others: that the merger will not close; that the closing will be delayed; that customers and partners will not react favorably to the merger; whether certain market segments will grow as anticipated; the competitive environment in the identity security industry and competitive responses to the merger; whether the combined company can successfully develop new products and the degree to which these products will gain market acceptance; whether anticipated cost and product synergies can be achieved; whether the integration of Viisage and Identix will be more difficult and costly than expected; approval of the proposals described herein by the respective stockholders of Viisage and Identix; and the satisfaction of closing conditions to the merger, including the receipt of regulatory approvals. Neither Viisage nor Identix makes any representation as to whether any projected or estimated information or results contained in any forward-looking statements will be obtained or achieved. Stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or the date of the documents incorporated by reference in this joint proxy statement/prospectus. Neither Viisage nor Identix is under any obligation, and each expressly disclaims any obligation, to update or alter any forward-looking statements after the date of this joint proxy statement/prospectus, 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 annual reports on Form 10-K and the quarterly reports on Form 10-Q that Viisage and Identix have filed with the Securities and Exchange Commission (in the case of Identix, as such form is supplemented by Identix Form 8-K filed with the SEC on February 13, 2006) and the section entitled Risk Factors beginning on page 10 of this joint proxy statement/prospectus.

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SPECIAL MEETING IN LIEU OF ANNUAL MEETING OF VIISAGE STOCKHOLDERS

Viisage is furnishing this joint proxy statement/prospectus to you in order to provide you with important information regarding the matters to be considered at the special meeting in lieu of an annual meeting of the Viisage stockholders and at any adjournment or postponement of the special meeting. Viisage first mailed this joint proxy statement/prospectus and the accompanying form of proxy to its stockholders on or about , 2006.

Date, Time and Place of the Special Meeting

Viisage will hold a special meeting of its stockholders on , 2006 at **[8:00 a.m.]**, Eastern Daylight Time, at the principal executive offices of Viisage located at 296 Concord Road, Third Floor, Billerica, MA 01821.

Matters to be Considered at the Special Meeting

At the special meeting, stockholders of Viisage will be asked to consider and vote upon the following nine proposals:

Proposal No. 1: To approve the issuance and reservation for issuance of shares of Viisage common stock to holders of Identix securities pursuant to the merger agreement.

Proposal No. 2A: To approve an amendment to Viisage s certificate of incorporation to increase the authorized number of shares of common stock of Viisage from 75,000,000 shares, $0.001 par value per share, to 125,000,000 shares, $0.001 par value per share, and correspondingly change Viisage s total number of authorized shares of capital stock from 77,000,000 shares to 127,000,000 shares.

Proposal No. 2B: To approve an amendment to Viisage s certificate of incorporation to change Viisage s name to L-1 Identity Solutions, Inc.

Proposal No. 2C: To approve an amendment to Viisage s certificate of incorporation to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment.

Proposal No. 2D: To approve an amendment to Viisage s certificate of incorporation to require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment.

Proposal No. 2E: To approve an amendment to Viisage s certificate of incorporation to provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage s certificate of incorporation relating to Proposals 2C or 2D.

Proposal No. 3: To adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals.

Proposal No. 4: To elect four Class I directors for three-year terms.

Proposal No. 5: To approve the adoption of Viisage s 2006 Employee Stock Purchase Plan.

Proposal No. 6: To ratify the selection of Deloitte & Touche LLP as Viisage s independent registered public accounting firm for the year ending December 31, 2006.

While these proposals are being voted upon separately, each of Proposal No. 1 and Proposals No. 2A-2E must be approved in order for any of these six proposals to be implemented and their approval is a condition to completion of the merger.

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Record Date; Stockholders Entitled to Vote

The record date for determining the Viisage stockholders entitled to vote at the special meeting is June 30, 2006. Only holders of record of Viisage common stock at the close of business on that date are entitled to vote at the special meeting. On the record date, there were issued and outstanding 29,083,388 shares of Viisage common stock.

As of the record date, the directors and executive officers of Viisage and their affiliates held shares of Viisage common stock representing, approximately 42.5% of the outstanding shares of Viisage common stock.

Voting and Revocation of Proxies

The proxy accompanying this joint proxy statement/prospectus is solicited on behalf of the board of directors of Viisage for use at the special meeting.

General. Assuming a quorum is present, shares represented by a properly signed and dated proxy will be voted at the special meeting in accordance with the instructions indicated on the proxy. Proxies that are properly signed and dated but that do not contain voting instructions will be voted FOR Proposal No. 1 to approve the issuance and reservation for issuance of shares of Viisage common stock in connection with the merger, FOR Proposals No. 2A-2E to approve amendments to Viisage s certificate of incorporation to increase the authorized number of shares of common stock; change Viisage s name; grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; and provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage s certificate of incorporation relating to the preceding two proposals; FOR Proposal No. 3 to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals; FOR Denis K. Berube, B.G. Beck, Charles E. Levine and George J. Tenet, the proposed nominees for election to Class I of the Viisage board of directors; FOR Proposal No. 5 to approve the adoption of Viisage s 2006 Employee Stock Purchase Plan; and FOR Proposal No. 6 to ratify the selection of Deloitte & Touche as Viisage s independent registered public accounting firm.

Four Class I directors are to be elected at the special meeting to serve three-year terms expiring at the 2009 annual meeting of stockholders and until their successors have been elected and duly qualified. Unless instructed otherwise, the proxy holders will vote the proxies received by them for Viisage s nominees: Denis K. Berube, B.G. Beck, Charles E. Levine and George J. Tenet. In the event that the nominees of Viisage are unable or decline to serve as directors at the time of the special meeting, the proxies will be voted for any nominee who shall be designated by the present board of directors to fill the vacancy (unless another nominee is indicated in any particular proxy), or Viisage may choose to leave the seat vacant. Messrs. Berube, Beck, Levine and Tenet have consented to serve as directors of Viisage, and the board of directors has no reason to believe that they will be unavailable for service.

Following the special meeting and the closing of the merger, pursuant to the merger agreement, the Viisage board composition will change as described in Viisage Proposal No. 1 and Identix Proposal No. 1 The Merger *Viisage Board Seats* on page 92 and Viisage Proposal No. 4 Election of Directors *Composition of the Board Post-Merger* on page 122.

Abstentions. Viisage will count a properly executed proxy marked ABSTAIN with respect to a particular proposal as present for purposes of determining whether a quorum is present, but the shares represented by that proxy will not be voted at the special meeting with respect to such proposal. Because approval of Proposal No. 1,

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Proposal No. 3, Proposal No. 5 and Proposal No. 6 require the affirmative vote of a percentage of the shares present and voting on the matter at the meeting or outstanding, abstentions on any of these proposals will not have any effect on the outcome of any such proposals. Because approval of Proposals No. 2A-2E require the affirmative vote of a percentage of the outstanding shares of Viisage, abstentions on any of these proposals will have the same effect as a vote AGAINST the proposals. With respect to Proposal No. 4, the four nominees receiving the highest number of votes cast at the special meeting will be elected, regardless of whether that number represents a majority of the votes cast. Abstentions will have no effect on this Proposal.

Broker Non-Votes. If your shares are held by your broker, your broker will vote your shares for you only if you provide instructions to your broker on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Brokers cannot vote your shares of Viisage on the merger related Proposals No. 1 through 3 or Proposal No. 5 related to the adoption of Viisage s 2006 Employee Stock Purchase Plan. Therefore, it is important that you follow the directions provided by your broker about how to instruct your broker to vote your shares. If you do not provide instructions to your broker about how to vote your shares on these Proposals, your shares will be treated as broker non-votes with respect to these Proposals. Failure to instruct your broker on how to vote your shares on Proposal No. 1, Proposal No. 3 or Proposal No. 5 will have no effect on the outcome of such proposals but will reduce the number of votes required to approve those proposals. Failure to instruct your broker on how to vote your shares on Proposals No. 2A-2E will have the same effect of a vote AGAINST the proposals. Even if you do not give your broker instructions as to how to vote on the proposal to elect directors to the Viisage board, your broker may be entitled to use its discretion in voting your shares in accordance with industry practice.

Voting Shares in Person that are Held Through Brokers. If your shares are held of record by your broker, bank or another nominee and you wish to vote those shares in person at the special meeting, you must obtain from the nominee holding your shares a properly executed legal proxy identifying you as a Viisage stockholder, authorizing you to act on behalf of the nominee at the Viisage special meeting and identifying the number of shares with respect to which the authorization is granted.

Submitting a Proxy Electronically or by Telephone. Delaware law permits electronic submission of proxies through the Internet or by telephone, instead of submitting proxies by mail on the enclosed proxy card. Thus, stockholders of record and many stockholders who hold their shares through a broker or bank will have the option to submit their proxies or voting instructions electronically through the Internet or by telephone. Please note that there are separate arrangements for using the Internet and telephone depending on whether your shares are registered in Viisage s stock records in your name or in the name of a broker, bank or other holder of record. If you hold your shares through a broker, bank or other holder of record, you should check your proxy card or voting instruction card forwarded by your broker, bank or other holder of record to see which options are available.

Revocation of Proxies. If you submit a proxy, you may revoke it at any time before it is voted by:

- delivering to the Secretary of Viisage a written notice, dated later than the proxy you wish to revoke, stating that the proxy is revoked;
- submitting to the Secretary of Viisage a new, signed proxy with a later date than the proxy you wish to revoke; or
- attending the special meeting and voting in person.

Notices to the Secretary of Viisage should be addressed to Secretary, Viisage Technology, Inc., 296 Concord Road, Third Floor, Billerica, MA 01821.

If you have instructed your broker to vote your shares, you must follow directions received from your broker to change those instructions.

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Required Stockholder Vote

In order to conduct business at the Viisage special meeting, a quorum must be present. The holders of a majority of the votes entitled to be cast by holders of common stock at the special meeting, present in person or represented by proxy, constitutes a quorum under Viisage s bylaws. Viisage will treat shares of Viisage s common stock represented by a properly signed and returned proxy, including abstentions and broker non-votes, as present at the Viisage special meeting for the purposes of determining the existence of a quorum.

With respect to any matter submitted to a vote of the Viisage stockholders, each holder of Viisage common stock will be entitled to one vote, in person or by proxy, for each share of Viisage common stock held in his, her or its name on the books of Viisage on the record date.

Approval of Proposal No. 1 requires the affirmative vote of holders of a majority of the shares of Viisage common stock present in person or represented by proxy at the special meeting and voting on the matter.

Approval of Proposals No. 2A-2B require the affirmative vote of holders of a majority of the outstanding shares of Viisage common stock.

Approval of Proposals No. 2C-2E require the affirmative vote of holders of two thirds of the outstanding shares of Viisage common stock.

Approval of Proposal No. 3 requires the affirmative vote of holders of a majority of the shares of Viisage common stock present in person or represented by proxy at the special meeting and voting on the matter.

Directors are elected by a plurality vote, which means that the four nominees receiving the most votes of shares of Viisage common stock present in person or represented by proxy at the special meeting and voting on the matter under Proposal 4 will be elected to fill the seats on the Viisage board of directors.

Approval of Proposal No. 5 requires the affirmative vote of the holders of a majority of the shares of Viisage common stock present in person or represented by proxy at the special meeting and voting on the matter.

Approval of Proposal No. 6 requires the affirmative vote of the holders of a majority of the shares of Viisage common stock present in person or represented by proxy at the special meeting and voting on the matter.

Each member of the Viisage board of directors, each of the executive officers of Viisage and certain principal stockholders (Lau, Aston and L-1, which are affiliates of certain board members) who together beneficially hold approximately 45.8% of the Viisage common stock outstanding, have entered into voting agreements with Identix, in which they have agreed, in their capacities as stockholders of Viisage, to vote in favor of Proposals No. 1 and 2A-2E described in this joint proxy statement/prospectus and have granted Identix an irrevocable proxy with respect to such matters. However, in the event the Viisage board of directors changes its recommendation to the stockholders to approve the issuance of Viisage common stock pursuant to the merger and the charter amendments, such obligation to vote shall relate to 50% of the shares subject to the Viisage voting agreements. Viisage and Identix added the provision relating to releasing 50% of the shares subject to the voting agreement in the event that the Viisage board changed its recommendation in order to address the concern that the combination of a 45% voting commitment and the inability of Viisage to terminate the merger agreement per its terms could increase the possibility of a claim that such measures were coercive or preclusive and that the board breached its fiduciary duties under Delaware law.

The inspector of elections for the Viisage special meeting will tabulate the votes.

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Recommendations by the Board of Directors

After careful consideration, the board of directors of Viisage has determined that the merger is advisable and in the best interests of Viisage and its stockholders. **The Viisage board of directors recommends that Viisage stockholders vote FOR Proposal No. 1 to approve the issuance and reservation for issuance of shares of Viisage common stock to holders of Identix securities pursuant to the merger agreement.**

The Viisage board of directors has also determined that amendments to Viisage s certificate of incorporation are in the best interests of Viisage and its stockholders. **The Viisage board of directors recommends that Viisage stockholders vote FOR Proposals No. 2A-2E to amend Viisage s certificate of incorporation to increase the authorized number of shares of common stock from 75,000,000 to 125,000,000 shares, and correspondingly change Viisage s total number of authorized shares of capital stock from 77,000,000 shares to 127,000,000 shares; change Viisage s name; grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment; and provide for the approval of two thirds of the entire board of directors and independent directors to further amend the sections of Viisage s certificate of incorporation relating to the preceding two proposals.**

The Viisage board of directors has further determined that approving a proposal to adjourn the special meeting, if necessary, to solicit additional proxies is in the best interests of Viisage and its stockholders. **The Viisage board of directors recommends that Viisage s stockholders vote FOR Proposal No. 3 to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals.** Viisage does not currently intend to seek an adjournment of its meeting unless such an adjournment is necessary to solicit additional votes.

The Viisage board of directors has also determined that approving a proposal to elect four Class I directors for three-year terms is in the best interests of Viisage and its stockholders. **The Viisage board of directors recommends that Viisage s stockholders vote FOR Denis K. Berube, B.G. Beck, Charles E. Levine and George J. Tenet, the proposed nominees for election to Class I of the Viisage board of directors.**

The Viisage board of directors has also determined that approving the adoption of Viisage s 2006 Employee Stock Purchase Plan is in the best interests of Viisage and its stockholders. **The Viisage board of directors recommends that Viisage stockholders vote FOR Proposal No. 5 to approve the adoption of Viisage s 2006 Employee Stock Purchase Plan.**

The Viisage board of directors has also determined that ratification of the selection of Deloitte & Touche LLP as Viisage s independent registered public accounting firm for the year ending December 31, 2006 is in the best interests of Viisage and its stockholders. **The Viisage board of directors recommends that Viisage stockholders vote FOR Proposal No. 6 to ratify the selection of Deloitte & Touche.**

The matters to be considered at the special meeting are of great importance to the stockholders of Viisage. Accordingly, you are encouraged to read and carefully consider the information presented in this joint proxy statement/prospectus, and to submit your proxy by telephone, Internet or mail in the enclosed postage-paid envelope.

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Proxy solicitation

Viisage will pay its own costs of soliciting proxies. Viisage has retained The Altman Group to aid in the solicitation of proxies and to verify records relating to the solicitations. The Altman Group will receive customary fees and expense reimbursement for these services. Viisage estimates that its proxy solicitor fees will be approximately $6,000. The extent to which these proxy soliciting efforts will be necessary depends entirely upon how promptly proxies are received. You should send in your proxy by mail without delay or vote by telephone or using the Internet. Viisage also reimburses brokers and other custodians, nominees and fiduciaries for their expenses in sending these materials to you and getting your voting instructions. A more complete description of how to send your proxy is included on the proxy accompanying this joint proxy statement/prospectus.

Do not send in any stock certificates with your proxy. The exchange agent will mail transmittal forms with instructions for the surrender of stock certificates for Viisage common shares to former Viisage stockholders as soon as practicable after the completion of the merger.

Other business

Viisage is not currently aware of any business other than the named proposals to be acted upon at the Viisage special meeting. If, however, any other matters are properly brought before the meeting, or any adjournment or postponement thereof, the persons named in the enclosed form of proxy, and acting under that proxy, will have discretion to vote or act on those matters in accordance with their best judgment.

No appraisal rights

Under Delaware law, holders of Viisage common stock are not entitled to appraisal rights with respect to the matters to be considered at the Viisage special meeting.

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SPECIAL MEETING OF IDENTIX STOCKHOLDERS

Date, time, place and purpose of the Identix special meeting

The special meeting of stockholders of Identix will be held at a.m., local time, on , 2006 at the Hotel Sofitel, 5601 West 78th Street, Bloomington, MN 55431. At the special meeting, stockholders at the close of business on June 30, 2006 will be asked:

To consider and vote upon a proposal to adopt the Agreement and Plan of Reorganization pursuant to which Identix will become a wholly owned subsidiary of Viisage. The merger agreement relating to the proposed merger is included as Annex A to this joint proxy statement/prospectus. In the merger, Viisage is obligated to issue 0.473 of a share of its common stock for each outstanding share of Identix common stock; and

To adjourn the special meeting if necessary to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Record date and outstanding shares

Identix stockholders of record of common stock at the close of business on the record date are entitled to notice of and to vote at the special meeting. As of the close of business on June 30, 2006, there were 89,941,035 shares of Identix common stock, par value $0.01 per share outstanding and entitled to vote, held of record by approximately 1,500 stockholders, although Identix has been informed that there are in excess of 33,500 beneficial owners.

On the record date, directors and executive officers of Identix and their affiliates beneficially owned, and were entitled to vote, 1,624,256 shares of Identix common stock, or approximately 1.8% of the shares outstanding as of the record date.

Vote required

Holders of Identix common stock are entitled to one vote for each share held as of the record date.

Adoption of the merger agreement requires the affirmative vote of a majority of the total outstanding shares of Identix common stock on the record date. Broker non-votes and abstentions have the same effect as a vote against adoption of the merger agreement. Broker non-votes have no effect on the adjournment proposal, but an abstention has the effect as a vote against the adjournment proposal.

The members of the Identix board and current executive officers of Identix, who together beneficially hold approximately 4.7% of the Identix common stock outstanding as of the record date, have entered into voting agreements with Viisage, in which they have agreed, in their capacities as stockholders of Identix, to vote in favor of the adoption of the merger agreement and approval of the merger and have granted Viisage an irrevocable proxy.

Quorum requirements

A quorum of stockholders is necessary to hold a valid meeting. The presence, in person or by proxy, of the holders of shares representing a majority of the issued and outstanding shares of Identix common stock entitled to vote as of the record date is a quorum. Abstentions and broker non-votes count as present at the special meeting for establishing a quorum. A broker non-vote occurs with respect to any proposal when a broker is not permitted to vote on that proposal without instruction from the beneficial owner of the shares and no instruction is given.

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Voting of proxies

The Identix proxy accompanying this joint proxy statement/prospectus is solicited on behalf of the Identix board of directors for use at the meeting. Identix recommends that you vote submit a proxy, using the telephone, the Internet or the enclosed proxy card, even if you plan to attend the meeting to vote in person. You can always change your vote at the meeting.

If a stockholder s shares are held of record in street name by a broker, bank or other nominee and the stockholder intends to vote the shares in person at the Identix meeting, the stockholder must bring to the meeting a letter from the broker, bank or other nominee confirming the stockholder s beneficial ownership of the shares to be voted.

How to submit a proxy

Voting instructions are included on the proxy accompanying this joint proxy statement/prospectus. If you properly give your proxy and submit it to Identix in time to vote, one of the individuals named as your proxy will vote your shares as you have directed. You may vote for or against the proposals or abstain from voting. Please complete, sign, date and return the accompanying proxy card in the enclosed envelope. You may instead submit a proxy by following the telephone or Internet instructions on the proxy card. If you submit your proxy but do not make specific choices, your proxy will follow the board recommendations and vote your shares FOR the proposals.

Submitting a Proxy by Internet and Telephone Voting

Stockholders whose shares are registered in the name of a bank or brokerage firm may be eligible to vote electronically through the Internet or by telephone. A large number of banks and brokerage firms are participating in the ADP Investor Communication Services online program. This program provides eligible stockholders the opportunity to provide voting instructions via the Internet or by telephone. Voting forms will provide instructions for stockholders whose bank or brokerage firm is participating in ADP s program.

Registered stockholders may submit a proxy electronically through the Internet by following the instructions included with their proxy card. Stockholders not wishing to submit a proxy electronically through the Internet or whose form does not reference Internet or telephone proxy submission information should complete and return the enclosed paper proxy card. Signing and returning the proxy card or submitting the proxy via the Internet or by telephone does not affect the right to vote in person at the special meeting.

Revoking your proxy

You may revoke your proxy before it is voted by:

- notifying Identix secretary in writing before the meeting that you have revoked your proxy;

submitting a new proxy with a later date; or

voting in person at the meeting.

You can send a notice to the secretary of Identix at the principal executive offices of Identix.

Voting in person

If you plan to attend the meeting and wish to vote in person, Identix will give you a ballot at the meeting. Attendance at a stockholders meeting, however, will not in and of itself constitute a revocation of a proxy.

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Effect of abstaining

You may abstain from voting on any of the proposals. Abstentions will be included in determining the number of shares present and voting at the special meeting. If you mark your proxy ABSTAIN with respect to any proposal, you will be in effect voting against that proposal. In addition, if you fail to send in your proxy, this, too, will have the effect of a vote against the proposal.

Broker non-vote

If you are an Identix stockholder and your broker holds shares in its name, the broker cannot vote your shares without your instructions. This is a broker non-vote. A broker non-vote with respect to a proposal, other than the adjournment proposal which will have no effect, will have the effect of a vote against the proposal.

Proxy solicitation

Identix will pay its own costs of soliciting proxies. Identix has retained D. F. King & Co., Inc. to aid in the solicitation of proxies and to verify records relating to the solicitations. D. F. King & Co., Inc. will receive a base fee of $8,500 and expense reimbursement for these services. The extent to which these proxy soliciting efforts will be necessary depends entirely upon how promptly proxies are received. You should send in your proxy by mail without delay or submit a proxy by telephone or using the Internet. Identix also reimburses brokers and other custodians, nominees and fiduciaries for their expenses in sending these materials to you and getting your voting instructions. A more complete description of how to send your proxy is included on the proxy accompanying this joint proxy statement/prospectus.

Do not send in any stock certificates with your proxy. The exchange agent will mail transmittal forms with instructions for the surrender of stock certificates for Identix common shares to former Identix stockholders as soon as practicable after the completion of the merger.

Other business; adjournments

Identix is not currently aware of any business other than the named proposals to be acted upon at the Identix special meeting. If, however, any other matters are properly brought before the meeting, or any adjournment or postponement thereof, the persons named in the enclosed form of proxy, and acting under that proxy, will have discretion to vote or act on those matters in accordance with their best judgment.

Identix does not currently intend to seek an adjournment of its meeting unless such an adjournment is necessary to solicit additional votes.

No appraisal rights

Under Delaware law, holders of Identix common stock are not entitled to appraisal rights with respect to the matters to be considered at the Identix special meeting.

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SELECTED HISTORICAL FINANCIAL DATA

The following tables present selected historical financial data and comparative historical and unaudited pro forma consolidated per share data of Viisage and Identix.

Viisage Selected Historical Financial Data

The following table sets forth selected historical financial data of Viisage. The information presented below was derived from Viisage s audited financial statements as of December 31, 2005, 2004, 2003, 2002 and 2001 and for the fiscal years then ended and its unaudited financial statements as of and for the three months ended March 31, 2006 and April 3, 2005. This information is only a summary. The financial data set forth below should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations of Viisage and our audited financial statements as of and for the years ended December 31, 2005, 2004 and 2003 and our unaudited financial statements as of and for the three months ended March 31, 2006 and April 3, 2005 and the related notes included elsewhere in this registration statement. The historical results of operations are not necessarily indicative of future results.

	Three Months Ended		Years Ended December 31,				
	March 31, 2006	April 3, 2005	2005(1)(5)	2004(1)(5)	2003(1)	2002(2)	2001(2)
	(in thousands, except per share data)						
Statement of Operations Data:							
Revenues	$ 23,438	$ 16,810	$ 66,224	$ 67,466	$ 37,371	$ 32,302	$ 26,280
Cost of revenues	17,039	11,399	47,566	48,804	27,844	25,239	19,602
Gross margin	6,399	5,411	18,658	18,662	9,527	7,063	6,678
Operating expenses:							
Sales and marketing	2,369	2,109	6,798	6,925	5,282	5,368	809
Research and development	1,611	1,229	3,816	3,837	3,650	4,457	2,054
General and administrative	4,577	3,364	11,931	9,779	5,110	5,069	2,500
Amortization of purchased intangible assets	117	100	2,656	153			
Impairment of contract assets				2,000			
Acquisition expenses							1,639
Restructuring charges						824	
Total operating expenses	8,674	6,802	25,201	22,694	14,042	15,718	7,002
Operating loss	(2,275)	(1,391)	(6,543)	(4,032)	(4,515)	(8,655)	(324)
Interest income	671	31	362	162	99	196	31
Interest expense	(6)	(47)	(159)	(1,933)	(1,068)	(1,071)	(1,241)
Other income (expense), net	17	123	369	(235)	18		
	(1,593)	(1,284)	(5,971)	(6,038)	(5,466)	(9,530)	(1,534)

Loss before income taxes and cumulative effect of change in accounting principle							
Provision for income taxes	(565)	(358)	(1,382)	(959)	(63)		
Loss before cumulative effect of change in accounting principle	(2,158)	(1,642)	(7,353)	(6,997)	(5,529)	(9,530)	(1,534)
Cumulative effect of change in accounting principle(3)					(12,131)		
Net loss	(2,158)	(1,642)	(7,353)	(6,997)	(17,660)	(9,530)	(1,534)
Preferred stock dividends							(5)
Loss applicable to common shareholders	$ (2,158)	$ (1,642)	$ (7,353)	$ (6,997)	$ (17,660)	$ (9,530)	$ (1,539)

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	Three Months Ended		Years Ended December 31,				
	March 31, 2006	April 3, 2005	2005(1)	2004(1)	2003(1)	2002(2)	2001(2)
	(in thousands, except per share data)						
Basic loss per share before cumulative effect	$ (0.07)	$ (0.09)	$ (0.37)	$ (0.45)	$ (0.64)	$ (1.19)	$ (2.35)
Basic net loss per share applicable to common shareholders(4)	$ (0.07)	$ (0.09)	$ (0.37)	$ (0.45)	$ (2.06)	$ (1.19)	$ (2.35)
Weighted average basic common shares outstanding	29,008	19,160	19,630	15,466	8,578	8,018	6,506
Diluted loss per share before cumulative effect	$ (0.07)	$ (0.09)	$ (0.37)	$ (0.45)	$ (0.64)	$ (1.19)	$ (0.24)
Diluted net loss per share applicable to common shareholders(4)	$ (0.07)	$ (0.09)	$ (0.37)	$ (0.45)	$ (2.06)	$ (1.19)	$ (0.24)
Weighted average diluted common shares outstanding	29,008	19,160	19,630	15,466	8,578	8,018	6,506
Balance Sheet Data:							
Working capital	$ 48,553	$ 15,643	$ 77,482	$ 15,233	$ 5,887	$ 22,244	$ 38,115
Total assets	$ 301,663	$ 168,934	$ 294,108	$ 175,629	$ 54,480	$ 61,189	$ 67,663
Long-term debt	$ 272	$ 310	$ 215	$ 149	$ 8,147	$ 9,845	$ 10,368
Shareholders equity	$ 274,958	$ 153,288	$ 274,660	$ 154,790	$ 34,008	$ 39,064	$ 46,294

(1) The results reflect the adoption of EITF 00-21 on January 1, 2003.
(2) The results are presented based on the percentage of completion method using the cost-to-cost basis of measurement for 2002 and 2001, which was the accounting method used prior to the adoption of EITF 00-21.
(3) See Note 2 in the Notes to Consolidated Financial Statements which discusses the change in accounting principle.
(4) See Note 2 in the Notes to Consolidated Financial Statements for information concerning the computation of basic and diluted net income (loss) per share.
(5) Reflects reclassification of amortizable intangibles from operating expenses to cost of sales of $1,435,000 and $603,000 for the years ended 2005 and 2004, respectively.

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Identix Selected Historical Financial Data

You should read the following table in conjunction with Identix historical consolidated financial statements and related notes and Identix Management s Discussion and Analysis of Financial Condition and Results of Operations included in Identix annual reports, quarterly reports and other information on file with the SEC. See Where You Can Find More Information on page 224.

The following table presents selected historical consolidated financial data for Identix for each of the years in the five-year period ended June 30, 2005, and for the nine-month periods ended March 31, 2006 and 2005. This data was derived from Identix audited and unaudited consolidated financial statements and reflects the operations and financial position of Identix at the dates and for the periods indicated. The consolidated financial statements for the nine-month periods ended March 31, 2006 and 2005 are unaudited and are not necessarily indicative of results for any other interim period or for any calendar year.

On April 28, 2006 Identix closed the sale of one of its wholly-owned subsidiaries, Legislative Demographic Services, Inc (LDS). The following table does not reflect the reclassification of the LDS operations from continuing operations to discontinued operations since this transaction occurred in Identix fourth quarter of the fiscal 2006 year. Please see Note 17 on Form 10-Q for the period ending March 31, 2006 for further discussion of this subsequent event.

Selected Financial Data

	Nine Months Ended March 31,	Nine Months Ended March 31,	Fiscal Year Ended June 30,				
	2006	2005	2005	2004	2003	2002	2001
			(In thousands, except per share data)				
Statement of Operations Data:							
Revenues	$ 65,692	$ 55,433	$ 73,832	$ 55,199	$ 52,684	$ 33,465	$ 38,156(7)
Loss from continuing operations	(6,300)	(9,523)	(13,966)	(21,667)	(183,940)	(49,380)	(26,046)
Income (loss) from discontinued operations	213(1)			3,125(3)	(3,434)	(6,058)	(1,554)
Loss before cumulative effect of a change in accounting principle	(6,087)(2)	(9,523)(2)	(13,966)(2)	(18,542)(4)	(187,374)(5)	(55,438)(6)	(27,600)(8)
Cumulative effect of a change in accounting principle							(1,998)(7)
Net loss	$ (6,087)	$ (9,523)	$ (13,966)	$ (18,542)	$ (187,374)	$ (55,438)	$ (29,598)
Basic and diluted net loss per share:							
Loss from continuing operations	$ (0.07)	$ (0.11)	$ (0.16)	$ (0.25)	$ (2.16)	$ (1.19)	$ (0.77)
Income (loss) from discontinued operations	$	$	$	$ 0.04	$ (0.04)	$ (0.14)	$ (0.05)
Loss before cumulative effect of a change in accounting principle	$ (0.07)	$ (0.11)	$ (0.16)	$ (0.21)	$ (2.20)	$ (1.33)	$ (0.82)
Cumulative effect of a change in accounting principle	$	$	$	$	$	$	$ (0.06)
Basic and diluted net income Loss per share	$ (0.07)	$ (0.11)	$ (0.16)	$ (0.21)	$ (2.20)	$ (1.33)	$ (0.88)
Balance Sheet Data:							

Cash and cash equivalents	$ 24,093	$ 27,450	$ 22,445	$ 35,944	$ 34,712	$ 53,346	$ 20,777
Working capital	37,188	39,770	36,628	45,822	53,397	63,239	32,440
Total assets	214,806	218,683	215,055	228,827	245,270	431,255	83,486
Stockholders equity	189,751	196,279	192,086	203,489	211,264	393,323	64,082

(1) Includes a gain on the sale of IPS, net of income tax, of $213,000.

(2) For the nine months ended March 31, 2006, includes $1.3 million in expenses resulting from restructuring and other charges related to the merger with Viisage ($1.1 million) and severance ($0.02 million). For the nine months ended March 31, 2005, includes a net gain resulting from restructuring and other charges of $620,000 related to the Company buying out a certain lease obligation in Los Gatos, CA. For the 12 months ending June 30, 2005, includes a net gain of $507,000 which is comprised of the $620,000 gain described above net of a $113,000 charge stemming from a reduction in force that occurred in the fourth quarter of fiscal year 2005.

(3) Includes a gain on the sale of IPS of $3,934,000 that was partially offset by the loss from discontinued operations of $809,000.

(4) Includes restructuring and other charges of $2,115,000 as discussed in the management discussion and analysis in the section entitled restructuring and other charges .

(5) Includes a write-off of $154,799,000 that is related to the impairment of goodwill as well as $6,327,000 of restructuring and other charges.

(6) Includes $17,965,000 of restructuring and other charges and a charge of $6,400,000 for the write-off of acquired in-process research and development.

(7) Identix changed its method of accounting for revenue recognition effective July 1, 2000 to comply with the Securities and Exchange Commission Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements (SAB 101).

(8) Includes preferred stock and warrant expense of $1,259,000.

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SELECTED UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

The following summary unaudited pro forma condensed consolidated financial information is designed to show how the merger of Viisage and Identix might have affected historical financial statements if the merger had been completed at an earlier time. The following summary unaudited pro forma condensed consolidated financial information was prepared based on the historical financial results reported by Viisage and Identix in their filings with the SEC and certain derived unaudited Identix information. The following should be read in connection with Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page 131 and the Viisage and Identix financial statements, which for Viisage are included in and for Identix are incorporated by reference into this joint proxy statement/prospectus.

The unaudited pro forma balance sheet data assumes that the merger took place on March 31, 2006 and combines Viisage s March 31, 2006 condensed consolidated balance sheet data with Identix March 31, 2006 condensed consolidated balance sheet data. The unaudited pro forma statements of operations data for the three months ended March 31, 2006 and for the year ended December 31, 2005 gives effect to the merger as if it had occurred on January 1, 2005 and combines the results of operations of Viisage and Identix for the periods indicated.

The summary unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the financial condition or results of operations of future periods or the financial condition or results of operations that actually would have been realized had the entities been a single entity during these periods.

In thousands, except share data	Viisage & Identix Pro Forma: As of and for the Three Months Ended March 31, 2006	Viisage & Identix Pro Forma: For the Year Ended December 31, 2005
Statement of Operations Data:		
Revenue	$ 44,235	$149,770
Loss from continuing operations	$ (9,988)	$ (31,991)
Basic and diluted income (loss) per share from continuing operations	$ (0.14)	$ (0.52)
Basic and diluted average number of shares outstanding	71,407	62,029
Balance Sheet Data:		
Cash, cash equivalents & marketable securities	$ 68,810	
Working capital	$ 76,190	
Goodwill	$ 850,194	
Total assets	$ 1,139,331	
Long term liabilities and deferred revenue	$ 8,057	
Total stockholder s equity	$ 1,089,558	

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COMPARATIVE UNAUDITED HISTORICAL AND PRO FORMA PER SHARE DATA

The following table shows per share data regarding earnings (loss) from continuing operations and book value per share for Viisage and Identix on a historical, pro forma consolidated and pro forma equivalent basis for Identix. The pro forma book value per share information was computed as if the merger had been completed on March 31, 2006. The pro forma consolidated earnings (loss) from continuing operations information was computed as if the merger had been completed on January 1, 2005. The Identix pro forma equivalent information was calculated by multiplying the corresponding pro forma consolidated data by an assumed exchange ratio of 0.473 to 1.0. This information is intended to show how each share of Identix common stock would have participated in Viisage s losses from continuing operations and book value per share if the merger had been completed on the relevant dates and at the assumed exchange ratio of 0.473 to 1.0. These amounts are not indicative of future per share amounts of earnings (losses) from continuing operations and book value per share of the combined company following the merger or results of operation or financial position of the combined entities had the merger been consummated on the dates indicated.

The following unaudited comparative per share data is derived from the historical consolidated financial statements of each of Viisage and Identix. The information below should be read in conjunction with the consolidated financial statements and accompanying notes of Viisage and Identix, which are included in or are incorporated by reference into this joint proxy statement/prospectus. We encourage you also to read Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page 131.

	As of and for the Three Months Ended March 31, 2006	As of and for the Year Ended December 31, 2005
Viisage Historical:		
Book value per share	$ 9.45	
Basic and diluted earnings (loss) per share from continuing operations	$ (0.07)	$ (0.37)
Identix Historical:		
Book value per share	$ 2.12	
Basic and diluted earnings (loss) per share from continuing operations	$ (0.04)	$ (0.10)
Viisage & Identix Pro Forma Consolidated:		
Book value per share	$ 15.24	
Basic and diluted earnings (loss) per share from continuing operations	$ (0.14)	$ (0.52)
Identix Pro Forma Equivalent:		
Book value per share	$ 7.21	
Basic and diluted earnings (loss) per share from continuing operations	$ (0.07)	$ (0.25)
Shares in millions used to Compute Per Share Data Book-Value (in millions)		
Viisage	29.1	
Identix	89.6	

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COMPARATIVE PER SHARE MARKET PRICE DATA

Recent Share Prices (Viisage and Identix)

Viisage s common stock is traded on the Nasdaq National Market under the symbol VISG. Identix common stock is traded on the Nasdaq National Market under the symbol IDNX.

The table below sets forth the high and low sales prices per share of Viisage common stock and Identix common stock, each as reported on the Nasdaq National Market on January 11, 2006, the last completed trading day prior to the announcement of the merger, and on June 30, 2006, the last full trading day for which high and low sales prices were available as of the date of this joint proxy statement/prospectus. The table below also includes the equivalent high and low sales prices per share of Identix common stock on those dates. These equivalent high and low sales prices per share of Identix reflect the fluctuating value of Viisage common stock that Identix stockholders would receive in exchange for each share of Identix common stock if the merger had been completed on either of those dates, applying the exchange ratio of 0.473 shares of Viisage common stock for each share of Identix common stock.

	Viisage Common Stock		Identix Common Stock		Identix Equivalent Price Per Share	
	High	Low	High	Low	High	Low
January 11, 2006	$ 18.15	$ 16.92	$ 5.79	$ 5.34	$ 8.58	$ 8.00
June 30, 2006	$ 16.19	$ 15.32	$ 7.23	$ 6.97	$ 7.66	$ 7.25

The above table shows only historical comparisons. These comparisons may not provide meaningful information to Viisage stockholders in determining whether to approve the issuance and reservation for issuance of shares of Viisage common stock in connection with the merger and the amendments to the Viisage certificate of incorporation or to Identix stockholders in determining whether to adopt the merger agreement. Viisage and Identix stockholders are encouraged to obtain current market quotations for Viisage and Identix common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus in considering whether to approve the proposals described within this joint proxy statement/prospectus. See the section entitled Where You Can Find More Information beginning on page 224 of this joint proxy statement/prospectus.

Dividend Information (Viisage and Identix)

Viisage has never declared or paid any cash dividends on its capital stock. Viisage currently intends to retain any earnings for use in its business and does not anticipate paying any cash dividends in the foreseeable future. In addition, Viisage is prohibited from paying dividends pursuant to its lending arrangements.

Identix has never declared or paid any cash dividends on its capital stock. Identix currently intends to retain any earnings for use in its business and does not anticipate paying any cash dividends in the foreseeable future.

Number of Stockholders (Viisage and Identix)

As of the record date of June 30, 2006, there were approximately 127 stockholders of record of Viisage common stock.

As of the record date of June 30, 2006, there were approximately 1,500 stockholders of record of Identix common stock.

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VIISAGE PROPOSAL NO. 1 AND IDENTIX PROPOSAL NO. 1

THE MERGER

This section of this joint proxy statement/prospectus describes the principal aspects of Viisage Proposal No. 1 and Identix Proposal No. 1, including the merger and the merger agreement. While Viisage and Identix believe that this description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to Viisage and Identix stockholders. You can obtain a more complete understanding of the merger by reading the merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A. You are encouraged to read the merger agreement and the other annexes to this joint proxy statement/prospectus carefully and in their entirety. While these proposals are being voted upon separately by Viisage stockholders, each of Proposals No. 1 and 2A 2E must be approved in order for either of them to be implemented.

Background of the Merger

Robert LaPenta achieved considerable success during the 1990s in participating in the consolidation of the defense sector. Believing that the biometrics and identity solution sector offers a similar opportunity, Mr. LaPenta and his partners founded L-1 Investment Partners LLC with a view toward forming a private equity fund that would invest in the biometrics and identity solutions sector. During the spring of 2005, Mr. LaPenta and his partners began to meet with prospective fund investors as well as analysts, thought leaders and executives of potential investment targets. As part of that effort, in early June 2005, Mr. LaPenta contacted Denis Berube, Viisage s chairman of the board, and expressed an interest in meeting to discuss a possible investment by the fund in Viisage. Mr. Berube responded favorably and viewed the potential of obtaining new equity capital as being consistent with Viisage s strategic objectives of completing acquisitions to offer its customers multi-modal biometrics.

On June 15, 2005, Mr. LaPenta, James DePalma and Joseph Paresi of L-1 attended a management presentation at Viisage and met with Mr. Berube and Bernard Bailey, Viisage s chief executive officer, to discuss the possible parameters of an investment in Viisage. Those parameters included a substantial purchase of common stock at a premium to the market price, Mr. LaPenta s appointment as chairman of the board, and the appointment by L-1 of additional independent directors to the board of Viisage.

On June 17, 2005, the Viisage board was briefed on the discussions with L-1 and authorized representatives of Viisage to explore potential investment terms. Viisage s representatives met with L-1 and its advisors in New York City on July 8, 2005 at which time L-1 presented a proposed term sheet for a $60 million investment in Viisage. Viisage responded with its own proposed terms on July 12, 2005. L-1 did not accept Viisage s proposed terms due to price, governance and other matters.

With no agreement with Viisage, L-1, through Messrs. LaPenta and DePalma, held separate discussions in late July and early August of 2005 with Identix and other companies in the biometrics and identity solutions sector about possible investments. The Identix discussions were preliminary in nature and did not contemplate the merger agreement eventually entered into by Viisage and Identix in January 2006 nor did they otherwise involve Viisage. These preliminary discussions did not progress to any agreement and ended amicably in mid-August 2005.

Messrs. Berube and LaPenta revived their discussions via telephone conferences on August 9 and August 18, 2005. They discussed L-1 s view of Viisage as an attractive platform for growth in the biometrics and identity solution sector. They also discussed a possible increase in the size of an investment by L-1 s investment fund in Viisage from $60 million to $100 million. Messrs. Berube and LaPenta exchanged outlines of proposed business terms for a transaction during late August and September 2005. These outlines addressed issues of pricing, L-1 s representation on the Viisage board, strategic services to be provided by L-1 to Viisage, and other investment matters. The proposed terms did not, however, involve Identix.

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The discussions between L-1 and Viisage culminated on October 6, 2005, when L-1 and Viisage announced their agreement on a $100 million investment in Viisage. As part of the transaction, it was announced that Mr. LaPenta would become chairman of the board of Viisage following closing. As disclosed in Viisage s filings with the Securities and Exchange Commission, pursuant to the terms of the investment agreement with Viisage, $85 million of the investment proceeds would be used to finance future acquisitions in an effort to pursue consolidation opportunities in the biometrics and identity solutions sector. As part of the Investment, L-1 was also granted warrants to purchase Viisage common stock that vested as Viisage completed up to $125 million in acquisitions. However, at the time that the investment agreement between L-1 and Viisage was signed, there were no commitments, agreements or understandings relating to any specific acquisition involving Viisage.

On October 12, 2005, L-1 s contemplated investment fund, Aston Capital Partners, LP, was formally organized with L-1 appointed as its investment manager. At the same time, the investment agreement with Viisage was assigned from L-1 to Aston.

In anticipation of his role as chairman of Viisage and with a view toward maximizing the value of Aston s investment in Viisage, Mr. LaPenta and the other principals of L-1 began to actively seek complementary investments for Viisage during October 2005, subject to review by and the approval of the Viisage board of directors. This resulted in L-1 entering into an agreement with IBT on November 4, 2005 pursuant to which Aston (as assignee of L-1) purchased 60% of the outstanding capital stock of IBT, with the right to acquire the remaining 40%. It was anticipated that the IBT acquisition would be consummated by Viisage upon completion of the Aston investment in Viisage.

On or about October 22, 2005, in anticipation of completing the Aston investment in Viisage, Mr. LaPenta contacted Dr. Atick, Chief Executive Officer of Identix and suggested that they initiate new discussions. Mr. LaPenta suggested that they meet on November 9, 2005 in New York City to discuss the possibility of Viisage and Identix working together in forming a strategic relationship. Mr. LaPenta viewed Identix as a leader in the fingerprint sector that would fit with Viisage s effort to provide its customers with multi-modal capabilities. At that time, Mr. LaPenta briefed members of the Viisage board on his plans to meet with Dr. Atick.

Dr. Atick informed the Identix board of his plans to meet with Mr. LaPenta and on November 9, 2005, a luncheon meeting took place in New York City between Mr. LaPenta and Dr. Atick. During the meeting, Mr. LaPenta and Dr. Atick discussed the possibility of forming a strategic relationship between Viisage and Identix. Mr. LaPenta indicated that he had no authority to make any commitments on behalf of Viisage at the meeting, but that he had informed members of the Viisage board of the exploratory nature of the meeting and the board members he contacted did not object to Mr. LaPenta attending such a meeting. The discussions between Mr. LaPenta and Dr. Atick at this meeting were entirely general in nature; no specific structures or terms for a strategic relationship were discussed, but general topics included without limitation the possibility of a capital investment in Identix, the formation of a joint venture, and/or the potential for a business combination. Mr. LaPenta asked to meet with members of the Identix board to continue discussions.

On November 15, 2005, Dr. Atick briefed the Identix board of directors on the November 9, 2005 meeting. The Identix board agreed that, with the maximization of shareholder value in mind, it would be appropriate to continue discussions with Mr. LaPenta in order to explore strategic relationship possibilities, including without limitation a business combination transaction with Viisage. Accordingly, the Identix board formed a special committee consisting of Messrs. Gudis, Cooper and Lawler, and authorized the committee to meet with Mr. LaPenta and to continue to discuss the possibility of a strategic transaction with Viisage.

On December 13, 2005, a meeting was held in New York City among Mr. LaPenta and members of the Identix special committee. Mr. LaPenta informed the Identix special committee that Aston s investment in Viisage was not yet closed, but that certain members of the Viisage board were aware that he was having conversations with Identix. During this meeting, various strategic possibilities were addressed, including without

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limitation possible structures for a prospective business combination transaction. Preliminarily, the possibility of a merger with Viisage was discussed, as well as possible structures for such a transaction, including cash versus stock consideration, or a combination of cash and stock. Mr. LaPenta expressed a preference for an all stock merger and expressed his preliminary view that an acceptable exchange ratio would result in the Identix shareholders receiving $7 worth of Viisage common stock for each share of Identix common stock to be exchanged in the merger. Members of the Identix special committee then expressed their preliminary view that an appropriate value would be an exchange ratio resulting in Identix stockholders receiving $10 of Viisage common stock per Identix share. In addition to the preliminary discussion regarding possible structures and values of a transaction, participants in this meeting also discussed potential members of management and composition of the board of directors of a combined company, should a merger between Viisage and Identix be pursued. Finally, the parties discussed that, should a merger be pursued, Mr. LaPenta would serve as the chief executive officer and chairman of the board of the combined company. On the basis of the general and preliminary concepts and expressions of interest discussed at the meeting, the parties expressed an interest in pursuing further discussions, subject to deliberation by their respective boards, and following the completion of Aston s investment in Viisage and the appointment of Mr. LaPenta as chairman of Viisage.

On December 15, 2005, Viisage engaged USBX Advisory Services to assist it in evaluating potential valuation alternatives regarding possible investment alternatives with Identix.

On December 16, 2005, Aston closed its $100 million investment in Viisage, assigned its 60% interest in IBT to Viisage and Viisage completed an acquisition of the remaining 40% of IBT. In consideration of the strategic advice, due diligence and other services provided by L-1 in connection with the IBT acquisition, Viisage issued L-1 a warrant to purchase 440,000 shares of Viisage common stock at an exercise price of $13.75 per share, subject to certain vesting provisions. On the same day, L-1, Identix and Viisage entered into a tri-party confidentiality agreement in anticipation of the continuation of the exploratory discussions between Viisage and Identix once Mr. LaPenta was elected chairman. L-1 was not expected to be a party to any potential transaction but entered into the confidentiality agreement because its personnel were expected to assist Viisage in evaluating any potential transaction.

On December 18, 2005, the Viisage board elected Mr. LaPenta as its chairman. At that meeting, Mr. LaPenta reported to the Viisage board on his discussions with Identix as to a possible business combination and the board expressed its support for further exploration of that opportunity.

On December 22, 2005, a meeting took place in Stamford, Connecticut at which Mr. LaPenta and Mr. Gudis, as the designated representative of the special committee of the Identix board of directors, discussed the potential terms of a business combination transaction including potentially structuring the deal as a reverse triangular merger. Various forms of consideration and board structure were contemplated, and Mr. LaPenta and Mr. Gudis engaged in further discussion regarding valuation ranges for the prospective transaction, though there was no significant movement from prior views expressed of the parties at their December 13, 2005 meeting. Messrs. LaPenta and Gudis also exchanged their views on the appropriate individuals to comprise the management of the proposed combined company. No agreement was reached but the parties expressed their mutual desire to continue discussions and agreed in principle to establish January 11, 2006 as a target date for the potential execution of a definitive merger agreement.

On December 28, 2005, the Identix board of directors held a special meeting at which Mr. Gudis provided an update on his face-to-face meeting with Mr. LaPenta the week earlier. Topics of discussion at the meeting included without limitation possible tax-free status and structure of a transaction, possible price and exchange ratio, possible board composition, and possible management team and organizational structure. Mr. Gudis informed Mr. LaPenta, on behalf of the board, that shareholder value would be the highest priority for the Identix board when assessing any prospective relationship or transaction. The board authorized Identix to proceed with further discussions and due diligence, and initiate the drafting of a definitive agreement if and when deemed appropriate by the board s special committee.

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On December 30, 2005, Viisage and Identix agreed to negotiate an acquisition transaction exclusively with each other for a period of one month. On the same day, Identix entered into a confidentiality agreement with Janney Montgomery Scott LLC.

On December 31, 2005, Identix entered into an engagement letter with Janney Montgomery Scott LLC to serve as a financial advisor.

Between December 31, 2005 and January 4, 2006, Messrs. LaPenta and Gudis received advice and diligence information from their respective boards of directors, company management teams, and legal and financial advisors, and held a series of telephonic discussions, during which they narrowed the valuation range of the Identix shares to be exchanged for Viisage common stock to between $8.00 and $8.50 per share. The composition and size of the proposed combined company s board of directors was also discussed, including various scenarios for a board of between nine and 12 members. The parties also mutually prepared proposed management organizational charts during this period.

On January 4, 2006, Viisage engaged Bear Stearns to serve as a financial advisor. On March 31, 2006 Viisage and Bear Stearns executed an engagement letter. In connection with the engagement, Bear Stearns will receive a fee of $2.5 million upon the closing of the merger, plus expense reimbursement, as well as exclusive rights to act as underwriter, placement agent, and/or financial advisor to Viisage with respect to certain financings and other corporate transactions in the future. Although Bear Stearns was hired by Viisage as a financial advisor in connection with the merger, Viisage did not request, and Bear Stearns did not provide, a fairness opinion to the Viisage board of directors.

On January 4, 2006, members of the management of Viisage and Identix met in Stamford, Connecticut to make presentations to each other on their respective business and technology. Janney Montgomery Scott LLC, financial advisor to Identix, and Bear Stearns, financial advisor to Viisage, also attended the meeting. Following that meeting, the parties commenced a series of due diligence sessions with the assistance of their legal and financial advisors.

On January 5, 2006, the Viisage board held a special meeting at which Mr. LaPenta reported on the status of the negotiations with Identix and the general terms under discussion including a proposed stock-for-stock merger, the range of the expected ownership interests of the respective parties in the combined company, and the plans for the ongoing composition of the management and board of directors. Mr. LaPenta reported that price remained an open issue and that Identix continued to seek an exchange ratio that reflected a value of $8.50 per share. Mr. LaPenta noted that there was ongoing due diligence relating to Identix that needed to be completed before any further price discussions could proceed. USBX reviewed its firm s preliminary valuation work on the proposed transaction. Bernard Bailey, Viisage s CEO, led a review of the business rationale and strategic aspects of the potential transaction, including the international reach of the combined company, the desirability of Identix product offerings and competitive factors. Mr. Bailey also reviewed the plans for completing further due diligence on Identix. The board discussed alternatives to the transaction such as a series of smaller transactions or further investment by Viisage in research and development.

On January 8, 2006, the Identix board of directors held a special meeting to discuss the status of the negotiations with Viisage and the general terms under discussion including a proposed stock-for-stock merger, the range of the expected ownership interests of the respective parties in the combined company, and the plans for the ongoing composition of the management and board of directors. Members of management, as well as representatives from Janney Montgomery Scott LLC, financial advisor to Identix, and Heller Ehrman LLP, outside legal counsel, provided an update on due diligence conducted to date, identifying the expected process and timeline for diligence completion. Janney reviewed its firm s preliminary valuation work on the proposed transaction. Heller Ehrman LLP, Identix outside legal counsel, reviewed the terms of the proposed merger agreement and also advised the board on its fiduciary obligations with respect to the potential transaction.

On January 9, 2006, the Viisage board of directors held a special meeting at which Mr. LaPenta reported on the ongoing negotiations with Identix including the status of the potential share exchange ratio and management issues. He also reported on the due diligence review of Identix including the results of a detailed technical

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review. There was considerable discussion among the board as to the premium to be paid for the Identix shares which included a discussion about the relative strengths of Viisage s and Identix then current market valuations. Choate, Hall & Stewart LLP, Viisage s outside legal counsel, also advised the board on its fiduciary obligations with respect to the potential transaction and summarized the terms of the proposed merger agreement.

On January 10, 2006, the Viisage board of directors held a special meeting at which Mr. LaPenta led a discussion of significant points under negotiation including proposed ratios for each share of Identix common stock exchanged in the merger, governance matters, an understanding that the name of the surviving company would be determined between the execution of the definitive merger agreement and closing and that the initial board of directors of the combined company would be comprised of twelve members with seven designated by Viisage and five designated by Identix. Mr. Bailey reported on the positive due diligence results on Identix fingerprint and face recognition products. There was extensive discussion about the financial expectations for the combined company, and the strategic considerations of the proposed transaction.

Following the January 10, 2006 meeting of the Viisage board of directors, Messrs. LaPenta and Gudis held further discussions and acknowledged the long term growth opportunities that the merger would provide the combined company. They agreed to a preliminary formula for the determination of the exchange ratio as $8.50 for each Identix share to the average closing price of Viisage shares for the ten days preceding the date the merger agreement would be signed. They also agreed to recommend that the size of the board of directors of the combined company be set at twelve members, with seven directors to be appointed by Viisage and five members to be appointed by Identix.

Between January 5 and January 11, 2006, the parties and their legal counsel prepared and negotiated an agreement and plan of reorganization to reflect the transaction. Compensation arrangements for those members of the Identix management and board who would be continuing with the combined company, as well as compensation to be paid to retiring members of the Identix board, were negotiated at this time. In addition, the parties prepared voting agreements to be executed by certain of their affiliates that would require them to vote in favor of the merger. So as not to impermissibly preclude competitive bids or coerce shareholders, the parties agreed that half of the shares subject to the voting agreements would be released from this covenant if their respective board subsequently changed its recommendation in favor of the merger. Finally, the parties agreed that the compensation arrangements for the other members of the management of the combined company would be commensurate with each of their respective positions and as mutually agreed between Viisage and Identix prior to closing of the merger. The parties also agreed that if such additional compensation arrangements were not agreed to by Identix and Viisage prior to closing, they would be established by the combined company s board of directors, upon recommendation of the compensation committee, following the closing.

On January 11, 2006, the Viisage board of directors held a special meeting to discuss and consider the proposed merger. At the meeting, Mr. LaPenta reviewed the outcome of the final negotiations between the parties, and USBX Advisory Services rendered its oral opinion to the Viisage board of directors, subsequently confirmed in writing, that, as of January 11, 2006, and based upon and subject to certain matters stated in its opinion, the share exchange ratio to be paid by Viisage in the merger was fair to Viisage s stockholders from a financial point of view. Choate, Hall & Stewart LLP again reviewed the board s fiduciary obligations with respect to the proposed transaction as well as the terms and conditions of the merger agreement and voting agreements that had been previously distributed for review by the board. After further review and discussion, all of the members of the board of directors of Viisage participating in the meeting voted to approve the merger agreement and the transactions contemplated by the merger agreement and resolved to recommend that its stockholders vote to approve the issuance of shares of Viisage common stock pursuant to the merger agreement and the required amendments to Viisage s certificate of incorporation.

On January 11, 2006, the Identix board of directors held a special meeting to discuss and consider the proposed merger. At the meeting, the board members received an update on the due diligence process from members of management, Heller Ehrman, and Janney Montgomery, and reviewed the outcome of the final negotiations between the parties, and Janney rendered its oral opinion to the Identix board of directors, subsequently confirmed in writing,

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that, as of January 11, 2006, and based upon and subject to certain matters stated in its opinion, from a financial point of view, the exchange ratio to be received by Identix in the merger was fair to Identix stockholders from a financial point of view. Heller Ehrman LLP reviewed the terms and conditions of the merger agreement and voting agreements that had been previously distributed for review by the board. After further review and discussion, all of the members of the board of directors of Identix voted to approve the merger agreement and the transactions contemplated by the merger agreement and resolved to recommend that its stockholders vote to adopt the merger agreement.

On January 11, 2006, Viisage and Identix entered into the merger agreement. The average closing price of Viisage s shares for the ten days preceding January 11, 2006 was $17.96. When applied to the attributed value of Identix stock of $8.50, such share price yields an exchange ratio of 0.473 per share of Viisage stock to each share of Identix stock. Applying the exchange ratio to Viisage s closing price of $17.69 on January 11, 2006 results in a valuation of $8.367 for each share of Identix stock. Based on this exchange ratio, Identix shareholders will own approximately 59% of the combined company.

On January 12, 2006, Viisage and Identix publicly announced that they had entered into the merger agreement.

On February 2, 2006, at a special meeting of the Viisage board of directors, Charles Levine and Harriet Mouchly-Weiss, the members of the Viisage board of directors who were unable to participate in the January 11, 2006 special meeting of the Viisage board, confirmed their concurrence with the board s recommendations that its stockholders vote to approve the issuance of shares of Viisage common stock pursuant to the merger agreement and the required amendments to Viisage s certificate of incorporation.

On July 3 and 5, 2006, the boards of directors of Identix and Viisage (including the independent directors of Viisage) agreed to increase the number of initial directors of the combined company to thirteen with Identix also having the right to appoint a fourteenth director following the merger. They agreed that the audit committee will be comprised of Mr. Nessen as chairman, Mr. Lawler as vice chairman and Ms. Mouchly-Weiss and Mr. Gudis as members. The compensation committee will be comprised of Mr. Cooper as chairman and Messrs. Berube, Gudis and Tenet and Mr. Rose as members. The nominating and governance committee will be comprised of Mr. Gelbard as chairman and Messrs. Lawler and Nessen and Ms. Mouchly-Weiss, and Mr. Rose as members. The respective boards (including the independent directors of Viisage) also approved the compensation to be paid to L-1 for pre-merger consulting services, as well as the compensation to be paid to Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce, including the options to be granted to Messrs. Atick, Molina and Moar.

On July 7, 2006, Viisage and Identix amended the merger agreement to reflect the foregoing.

Our Reasons for the Merger

We believe that the combination of Viisage and Identix will result in greater long-term growth opportunities than either company has operating alone. The combined company will blend complementary approaches to solving the challenge of securing personal identities by establishing a comprehensive single platform for multi-modal finger, face, skin and imaging identity solutions. In concluding to approve the merger, the boards of directors of Viisage and Identix considered the following factors, which, together with Other Factors Considered by the Viisage Board and Other Factors Considered by the Identix Board on pages 63 and 65, respectively, describe all of the material factors, both positive and negative, considered by the boards of Viisage and Identix.

Complementary Strengths. The merger will combine Viisage s strength in credentialing and background check services, including its presence in the drivers license, passports, and hazardous materials markets, with Identix leading position in biometrics products/hardware and services, including livescan, and other hardware, middleware, and services. The companies believe that a merger of Viisage and Identix will combine complementary assets, skills and strengths that will result in a balanced and end-to-end product, services and integration provider.

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Strategic Positioning. The combining technologies are well suited to support the growing market for multiple identity programs including visa and passport issuance, border control and security, voting program integrity, secure logical access for enterprise and government, and the many government-related access card requirements. In addition, the combined company is capable of meeting the rigorous government mandates including HSPD-12, Transportation Workers Identification Credential (referred to as TWIC), Western Hemisphere Travel Initiative (referred to as WHTI), US-VISIT, Registered Traveler, Real ID Act and ePassport, among others.

Better Serve the Needs of Customers. The combined company will be able to better serve their customers by offering a comprehensive portfolio of end-to-end biometrics and identity solution technologies that provide multi-modal solutions capabilities. We believe these capabilities will have immediate applications for registration, authentication and access, knowledge discovery, credentialing, screening and detection, and reputation tracking.

Technology Opportunities. The combined company will have an extensive network and product suite that management believes will provide significant competitive advantages unavailable to either company on a standalone basis. The continued development and deployment of new and improved technologies and equipment will allow the resulting company to expand its offerings in a more rapid and cost effective manner than had either company attempted to build similar capabilities alone or through separate acquisitions.

Financial Synergies. The combination of Viisage and Identix will enable the combined company to take advantage of reductions in overlapping functions and the costs of regulatory compliance associated with being public companies, as well as other economies of scale.

Increased Scale, Size, and Financial Flexibility. The combined company s increased size, economies of scale and total capabilities may enable it to improve the cost structure for its products and services, enhancing its ability to compete profitably and respond to competitive pressures.

Experienced Management. The combination of the management expertise and experience of Robert LaPenta, James DePalma, Joseph Paresi and Doni Fordyce of L-1 and the senior management teams of Viisage and Identix will create a world class management operation.

Other Factors Considered by the Viisage Board

In addition to the strategic factors outlined above, the Viisage board of directors, in consultation with Viisage s management and its financial and legal advisors, considered the following additional factors in reaching its conclusion to approve the merger and to recommend that the Viisage stockholders approve the issuance of shares of common stock pursuant to the merger agreement and the amendments to Viisage s certificate of incorporation:

- the importance of a combination with Identix to the combined company s strategy for providing end-to-end identity solutions to meet the evolving needs of its customers;

- opportunities and competitive factors within the identity solutions sector;

the potential benefits to Viisage s stockholders as a result of growth opportunities following the merger;

historical and current information about each of the companies and their business, prospects, financial performance and condition, operations, technology, management and competitive position, including public reports filed with the SEC, analyst estimates, market data and management s knowledge of the identity solutions industry;

reports from Viisage s management, legal counsel and financial advisors about the results of the due diligence investigation of Identix;

financial market conditions, historical market prices, volatility and trading information with respect to each company s common stock;

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- the opinion of USBX Advisory Services, rendered orally on January 11, 2006, and confirmed in writing on the same day, to the Viisage board of directors, that, as of such date, and based upon and subject to certain matters stated in its opinion, from a financial point of view, the exchange ratio to be paid by Viisage in the merger was fair to Viisage s stockholders from a financial point of view;

- the terms and conditions of the merger agreement, including:

  - the no-solicitation provisions governing each party s ability to engage in negotiations with, provide any confidential information or data to, and otherwise have discussions with, any person relating to an alternative acquisition proposal;

  - the fixed exchange ratio at which Viisage shares will be exchanged for Identix shares in the merger;

  - the conditions to each party s obligation to effect the merger;

  - the definition of material adverse effect ;

  - the limited ability of the parties to terminate the merger agreement;

  - the possible effects of the provisions regarding termination fees;

  - the likelihood of retaining key Identix employees to help manage the combined company;

  - the likelihood that the companies will be able to complete the merger; and

  - the potential for third parties to seek to enter into strategic relationships with or to seek to acquire either of the combined company as a result of the announcement of the companies entering into the merger agreement.

In reaching its decision, the Viisage board of directors believes that the factors discussed above were generally supportive of the merger from Viisage s perspective, except for the last two factors which might weigh both positively and negatively relative to the merger. Viisage s board of directors also considered the following potentially negative factors in its deliberations regarding the merger:

- the risks inherent in integrating two large enterprises and the possibility that delays or difficulties in completing the integration could adversely affect Viisage s operating results and preclude the achievement of some benefits anticipated from the merger, including the risk of diverting management s attention from other strategic priorities to implement merger integration efforts;

- the possible loss of key management, technical or other personnel of either Viisage or Identix as a result of the integration of the businesses;

- the possible adverse consequences, at least in the short term, of the merger announcement on the trading price of Viisage s common stock;

- the possibility that the reactions of existing and potential competitors to the combination of the two businesses could adversely impact the competitive environment in which the companies operate;

- the substantial expenses to be incurred in connection with the merger, including costs of integrating the businesses and transaction expenses arising from the merger;

- the risk that anticipated product synergies and cost savings will not be realized; and

- the possibility that the merger might not close or the closing might be delayed.

The Viisage board of directors also considered the fact that Viisage would have continued as an independent company absent the merger. With the $100 million investment from Aston, Viisage had the capital necessary to continue to pursue its acquisition strategy and fund its continuing operations.

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After due consideration, the Viisage board of directors concluded that the potential benefits of the merger outweighed the risks associated with the merger and that the merger was fair and in the best interests of Viisage s stockholders.

In view of the wide variety of factors considered by the Viisage board of directors in connection with the evaluation of the merger and the complexity of these matters, the board did not consider it practical to quantify, rank or otherwise assign relative weights to the foregoing factors, and it did not attempt to do so. Rather, the board made its recommendation based on the totality of the information presented to it, and the investigation conducted by it. The Viisage board of directors considered all these factors and determined that these factors, as a whole, supported the conclusions and recommendations described above.

Other Factors Considered by the Identix Board

At the meeting held on January 11, 2006, the Identix board of directors approved the merger agreement and the transactions contemplated by the merger agreement. The board of directors concluded that the proposed merger and related transactions were fair to and in the best interests of Identix and its stockholders. In reaching its decision, the board of directors consulted with its financial advisors, Janney Montgomery Scott LLC, its legal counsel, Heller Ehrman LLP, and with Identix senior management. The board took into consideration the following material factors:

- the terms and conditions of the merger agreement, including Identix representation on the combined company s board;
- the potential benefits to Identix stockholders from growth opportunities resulting from the merger;
- the opportunity to respond more fully to the needs of multiple markets and industries for live scan and biometric security applications and solutions through combined product and service offerings;
- the opportunity to create multi-biometric enabled enterprise security systems;
- the opportunity to offer a more complete line of products to the combined company s customer base;
- the opportunity to realize efficiencies in combined field sales and support teams to produce increased productivity and greater customer satisfaction;
- the opportunity to build upon relationships with selected product and service partners of Identix and Viisage;
- the opportunity to further pursue the global capabilities of Identix and Viisage;
- the opportunity to integrate engineering and technical resources to create greater productivity and broader product and service offerings;
- the potential enhancement of revenue growth associated with combining complementary product lines and sales channels;

the potential risks and benefits of not pursuing the merger with Viisage, including without limitation continuing business as an independent company;

the potential cost savings associated with the elimination of redundant expenses; and

the opinion of Janney that, as of January 11, 2006, and based on and subject to certain matters stated therein, from a financial point of view, the exchange ratio to be offered by Viisage in the merger was fair to the stockholders of Identix.

The Identix board also identified and considered the following potentially negative factors in its deliberations concerning the merger:

the risk that the potential benefits sought in the merger might not be fully realized;

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- the uncertainty created by the proposed exchange ratio as to the value of Viisage common stock received pursuant to the merger;
- the challenges of combining the business of two separate corporations and the risks associated with the diversion of management resources and the impact of the merger on employees, collaboration partners and customers;
- the possibility that the merger might not be consummated; and
- the substantial charges to be incurred, primarily in the quarter ending June 30, 2006, in connection with the merger, including costs of integrating the businesses and transaction expenses arising from the merger.

The Identix board believed that these risks were outweighed by the potential benefits of the merger.

In view of the wide variety of the material factors considered in connection with the evaluation of the merger and the complexity of these matters, the Identix board of directors did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to the various factors considered. In addition, the Identix board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determination of the Identix board of directors, but rather the Identix board of directors conducted an overall analysis of the factors described above, including discussions with and questioning of Identix senior management and legal and financial advisors.

There can be no assurance that the potential savings, synergies or opportunities considered by the Identix board of directors will be achieved though consummation of the merger. See Risk Factors beginning on page 10.

The Identix board of directors believes that the terms of the merger are fair to and in the best interests of Identix and its stockholders and recommends to its stockholders that they vote FOR the proposal to adopt the merger agreement.

In considering the recommendation of the Identix board of directors with respect to the merger, you should be aware that certain directors and officers of Identix have certain interests in the merger that may be different from, or are in addition to, the interests of Identix stockholders generally as discussed below in the section titled The Merger Interests of Certain Identix Persons in the Merger.

Opinion of Financial Advisor to the Board of Directors of Viisage

The board of directors of Viisage engaged USBX Advisory Services LLC (referred to as USBX) to render a fairness opinion with respect to the merger. At a meeting of the board of directors of Viisage on January 11, 2006, USBX rendered its oral opinion, subsequently confirmed in writing and referred to in this joint proxy statement/prospectus as the USBX opinion, that, as of January 11, 2006, the exchange ratio was fair, from a financial point of view, to the holders of Viisage common stock. The USBX opinion was based upon and subject to certain assumptions, qualifications, limitations and factors described in the USBX opinion.

USBX s opinion, which describes the assumptions made, matters considered and limitations on the review undertaken by USBX, is attached as Annex B to this proxy statement. You are encouraged to, and should, read the USBX opinion carefully in its entirety. USBX s opinion was directed solely to Viisage s board of directors and addresses only the fairness to Viisage stockholders of the exchange ratio from a financial point of view. The USBX opinion does not address any other aspect of the merger and does not constitute a recommendation to any director, stockholder or other person as to how to vote or act with respect to the merger.

In connection with rendering its opinion, USBX reviewed the following:

1. Identix audited financial statements for its fiscal years ended June 30, 2005, June 30, 2004 and June 30, 2003 as contained in Identix Annual Reports on Form 10-K, filed with the U.S. Securities and Exchange Commission (referred to as SEC) on September 13, 2005, September 9, 2004 and September 12, 2003, respectively;

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2. Identix unaudited financial statements for its fiscal quarter ended September 30, 2005, as contained in Identix Quarterly Report on Form 10-Q, filed with the SEC on November 7, 2005;

3. Identix Proxy Statement filed with the SEC on Schedule 14A on October 6, 2005;

4. Viisage s audited financial statements for its fiscal years ended December 31, 2004 and December 31, 2003, as contained in Viisage s Annual Reports on Form 10-K (or Form 10-K/A, as applicable), filed with the SEC on July 5, 2005 and March 30, 2004, respectively;

5. Viisage s unaudited financial statements for its fiscal quarter ended April 3, 2005, as contained in Viisage s Quarterly Report on Form 10-Q, filed with the SEC on June 30, 2005;

6. Identix unaudited financial statements for its fiscal quarter ended July 3, 2005, as contained in Identix Quarterly Report on Form 10-Q, filed with the SEC on August 12, 2005;

7. Viisage s unaudited financial statements for the nine months ended October 2, 2005, as contained in Viisage s Quarterly Report on Form 10-Q, filed with the SEC on November 10, 2005;

8. Viisage s Proxy Statement filed with the SEC on Schedule 14A on September 7, 2005;

9. Certain non-public financial and operating information, including forecasts and projections, including Viisage and certain non-public financial and operating information concerning Identix;

10. The final draft of the merger agreement excluding any schedules or exhibits thereto;

11. Certain other publicly available financial data for certain companies that USBX deemed comparable or otherwise relevant to Viisage or Identix and the terms of recent transactions that USBX considered comparable or otherwise relevant to the merger, including, without limitation, publicly available prices;

12. The reported price and trading activities for Viisage s common stock and the shares of common stock of Identix; and

13. Published research of third party research analysts with respect to the future financial performance of Viisage and Identix.

In addition, USBX met with members of the senior management from Viisage and Identix to discuss the operations, financial condition, future prospects and projected operations and performance of Viisage and Identix.

The following is a summary of certain of the financial analyses presented to the Viisage board of directors at its meeting on January 11, 2006, which analyses were also among those considered by USBX in connection with delivering its opinion. USBX also considered various other factors and analyses, including but not limited to: the relative size, growth and profitability of the market segments and products of Identix and Viisage, the relative sentiment of Wall Street research analysts with regard to Identix and Viisage, the weighted average prices purchasers of Identix and Viisage stock had paid for their shares over the prior twelve and six month periods, the insider, beneficial and institutional holdings of Identix and Viisage, the exchange ratios implied by the relative prior trading patterns in the Identix and Viisage stock and the historical relative ratios of enterprise value to prior twelve month revenues for Identix and Viisage. USBX concluded that these and other qualitative factors along with the discounted cash flow and prospective elements of the contribution analyses summarized below, taken as a whole, were more significant to its overall analysis than the other financial analyses summarized below.

Some of the analyses summarized below include information presented in a tabular format. To understand fully the financial analyses used by USBX, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. This summary does not purport to be a complete description of the analyses underlying the opinion of USBX. For each analysis described below, the material forecasts and estimates that USBX utilized were provided to it by Viisage and included forecasts and estimates for each of Identix and Viisage of revenue, gross margin, operating expenses, EBITDA, capital expenditures and depreciation and amortization.

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Contribution Analysis. USBX estimated the contribution of each of Identix and Viisage to the pro forma combined company with respect to revenue, gross profit, earnings before interest, taxes, depreciation and amortization, which is referred to as EBITDA, cash and GAAP earnings for calendar years, 2005, 2006 and 2007 using the financial forecasts referenced above. The analysis showed that Viisage would contribute approximately the following percentages of estimated revenues, gross profit, EBITDA, cash and GAAP earnings in 2005, 2006 and 2007:

	Revenues	Gross Profit	EBITDA	Cash Earnings	GAAP Earnings
2005	43.7%	45.6%	249.3%	168.3%	43.3%
2006	50.0%	39.0%	54.1%	54.4%	-17.6%
2007	43.7%	33.0%	37.5%	36.3%	6.3%

Comparable Company Trading Multiples. Using publicly available information, USBX compared certain financial and operating information and ratios for Viisage and Identix with corresponding financial and operating information and ratios for the following identification solution companies:

Cogent, Inc.

RSA Security, Inc.

VASCO

Fargo Electronic, Inc.

LaserCard Corp.

American Bank Note

Digimarc Corp.

SAFLINK Corp.

Bioscrypt, Inc.

BIO-Key International, Inc.

ActivCard Corp.

The following table reflects the results of the analysis:

	Range		Mean	Median	Viisage	Identix
Ratio of price to book value	0.6x	18.3x	4.4x	4.2x	3.7x	2.5x
Ratio of price to tangible book value	1.1x	28.1x	6.2x	4.6x	15.5x	12.6x
Ratio of calendar year 2005 (CY05) firm value to revenue	0.2x	15.1x	5.6x	5.3x	7.3x	5.4x
Ratio of CY05 firm value to EBITDA	11.1x	70.3x	18.9x	16.3x	70.3x	NM
Ratio of CY05 per share market price to earnings	26.1x	60.0x	30.3x	27.7x	NM	NM
Ratio of calendar year 2006 (CY06) firm value to projected CY06 revenue	0.1x	11.3x	4.5x	4.3x	4.3x	4.6x
Ratio of CY06 firm value to EBITDA	12.1x	111.2x	46.6x	33.0x	32.7x	45.5x
Ratio of per share market price to projected CY06 earnings	23.0x	820.4x	29.2x	27.7x	NM	820.4x

Note: NM indicates non-meaningful multiples, such as negative multiples.

Using publicly available information, USBX also compared certain financial and operating information and ratios for Viisage and Identix with corresponding financial and operating information and ratios for the following network security companies:

Symantec Corp.

VeriSign Inc.

SafeNet Inc.

Secure Computing Corp.

Check Point Software Tech. Ltd.

Internet Security Systems

The following table reflects the results of the analysis:

	Range		Mean	Median	Viisage (Transaction Price)	Identix (Transaction Price)
Ratio of price to book value	1.4x	4.8x	2.7x	2.6x	3.6x	4.0x
Ratio of price to tangible book value	3.7x	9.0x	6.3x	6.2x	15.2x	20.2x
Ratio of calendar year 2005 (CY05) firm value to revenue	2.4x	9.3x	4.5x	3.7x	7.2x	8.9x
Ratio of CY05 firm value to EBITDA	10.0x	24.0x	19.8x	22.5x	68.9x	NM
Ratio of CY05 per share market price to earnings	21.0x	43.9x	28.2x	24.0x	NM	NM
Ratio of calendar year 2006 (CY06) firm value to projected CY06 revenue	2.2x	8.3x	4.1x	3.6x	4.2x	7.6x
Ratio of CY06 firm value to EBITDA	8.8x	23.3x	15.4x	16.1x	32.1x	74.7x
Ratio of per share market price to projected CY06 earnings	16.7x	36.2x	22.9x	21.2x	NM	NM

Note: NM indicates non-meaningful multiples, such as negative multiples.

With regard to the comparable companies analysis summarized above, USBX selected publicly traded companies who are participants in various sectors of the security technology industry, then analyzed their relevance/comparability based on various factors, including but not limited to the sizes of the companies, their industry sub-sector or product focuses, and their growth and profitability profiles. Based upon the ranges derived from the comparable public companies analysis set forth above, USBX calculated an implied exchange ratio in the range of 0.29 to 0.30.

Comparable Transaction Multiples. USBX reviewed certain publicly available information regarding selected business combinations in the security technology industry announced since April 2001. These transactions and the month in which each transaction was announced or closed were as follows:

Juniper Networks, Inc. (November 2005);

Sand Hill IT Security Acquisition Co. (October 2005);

JAG Media Holdings, Inc. (September 2005);

RSA Security, Inc. (December 2005);

SafeNet, Inc. (December 2005);

Oracle Corp. (November 2005);

Smiths Detection (November 2005);

Helio Solutions, Inc. (November 2005);

Schmid elektronik AG (November 2005);

Symantec Corp. (October 2005);

TuVox, Inc. (September 2005);

ScanSoft, Inc. (September 2005);

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Quest Software, Inc. (July 2005);

Altiris, Inc. (March 2005);

Oracle Corp. (March 2005);

ScanSoft, Inc. (February 2005);

Precise Biometrics AB (January 2005);

3Com (December 2004);

ScanSoft, Inc. (December 2004);

Computer Associates (November 2004);

Viisage Technology, Inc. (October 2004);

Bio Key International, Inc. (October 2004);

SAFELINK (August 2004);

Juniper Networks (April 2004);

Bio Key International, Inc. (March 2004);

ISS (January 2004);

ScanSoft, Inc. (August 2003);

Identix, Inc. (June 2002);

Bioscrypt Inc. (April 2001)

This analysis indicated that transaction values as a multiple of last twelve-months revenues ranged from approximately 25.8x to 0.2x, with a mean of approximately 6.9x and a median of approximately 5.4x. This analysis indicated that transaction values as a multiple of last twelve-months EBITDA ranged from approximately 0.9x to 35.1x, with a mean of approximately 16.1x and a median of approximately 14.2x.

USBX examined selected transactions based on a number of factors including but not limited to the size and timing of the transaction, whether the companies involved had similar types of business models and performance profiles as Identix and Viisage and/or whether such companies were subject to similar macro and micro economic and market dynamics as Identix and Viisage, as applicable. Based upon the comparable transactions value analysis set forth above, USBX calculated an implied exchange ratio in the range of 0.26 to 0.34.

Transaction Premiums Paid Analysis. Premiums paid in public seller transactions indicate the amount of consideration acquirers are willing to pay above the seller s equity market capitalization. In this analysis, the value of consideration paid in transactions involving stock is computed using the buyer s stock price immediately prior to announcement, while the seller s equity market capitalization is measured one day prior and thirty days prior to announcement.

USBX s analysis of premiums paid in public seller transactions over the prior twelve months and three months found that premiums (discounts) paid to sellers equity market capitalizations (using the buyers share price on the day prior to the announcement date of the transaction to calculate consideration in stock transactions) measured one day prior and thirty days prior to announcement ranged from 0% to 750% with means of 28% to 41%. The exchange ratios implied by the mean of the premium paid analysis results was 0.35 to 0.41.

Discounted Cash Flow Analysis. USBX performed discounted cash flow analyses for each of Identix and Viisage using financial forecasts for Identix for years 2006 through 2010, and financial forecasts for Viisage for years 2006 through 2010.

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USBX calculated a discounted cash flow analysis for Identix and Viisage assuming discount rates ranging from 20% to 30%, and terminal multiples of EBITDA in the year 2010 ranging from 10x to 25x, based upon the estimated discounted cash flow valuation ranges of Identix and Viisage set forth above, USBX calculated implied exchange ratios. Assuming discount rates of 20% to 25% and terminal multiples of 15x EBITDA, the analysis yielded implied exchange ratios of 0.40 to 0.48.

The preparation of a fairness opinion is a complex process involving determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances and, therefore, is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analysis or the summary set forth above, without considering the analysis as a whole, could create an incomplete view of the processes underlying the USBX opinion. In arriving at its opinion, USBX considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it; rather, USBX made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all such analyses. In addition, USBX based its analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors including assumptions related to the emergence of biometrics applications in the commercial/enterprise and consumer markets, the growth of such markets, and the ability of Identix and Viisage to take advantage of the emergence and growth of those markets. Certain USBX analyses are based upon forecasts of future results and are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by such analyses. The foregoing summary does not purport to be a complete description of the analyses performed by USBX. Additionally, analyses relating to the value of businesses or securities are not appraisals. Accordingly, such analyses and estimates are inherently subject to substantial uncertainty.

None of the public companies used in the public companies analysis described above is identical to Identix or Viisage, and none of the precedent transactions used in the precedent transactions and transaction premiums paid analyses described above is identical to the merger. Accordingly, an analysis of publicly traded comparable companies and transactions is not mathematical; rather it involves complex considerations and judgments concerning differences in financial and operating characteristics of the comparable companies and other factors that could affect the public trading value of the comparable companies or company to which they are being compared.

USBX assumed, without independent verification, that the financial forecasts and projections it was provided, and upon which it relied, were reasonably prepared and reflected the best currently available estimates and judgments by management as to the future financial results of operations, synergies and financial performance of Viisage and Identix, and that such results of operations, synergies and financial performance will be realized. USBX also assumed that there had been no material change in the assets, financial condition or business of Viisage and Identix since the date of the most recent financial statements made available to it. USBX further relied upon the assurance of management of Viisage that they are unaware of any facts that would make the information provided to USBX incomplete or misleading in any respect. USBX assumed that the transactions contemplated by the merger agreement will be consummated as described in the merger agreement in the form reviewed by USBX and that all representations and warranties therein of the parties thereto are true and accurate in all respects.

USBX did not independently verify the accuracy and completeness of the information supplied to it with respect to Viisage and Identix and does not assume any responsibility with respect to it. USBX did not meet with or have any discussions with any representatives of Viisage and Identix (other than members of their respective senior management) including Viisage s and Identix independent accounting firms. USBX s opinion was necessarily based on business, economic, market and other conditions as they existed and could be evaluated by it as of the date of the USBX opinion. It should be understood that subsequent developments may affect the USBX opinion and USBX does not have any obligation to update, revise or reaffirm the USBX opinion.

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The Viisage board of directors asked USBX to opine on the fairness to our stockholders of the exchange ratio from a financial point of view. The USBX opinion does not address the relative merits of the merger as compared to other business strategies that might be available to us, nor does it address our underlying business decision to proceed with the merger. USBX did not make or take into account any independent appraisal or valuation of any of our assets or liabilities, contingent or otherwise. USBX did not opine on any legal, tax or accounting issues concerning the merger, or any terms of the merger (other than the exchange ratio). USBX did not express an opinion with respect to the prices at which our common stock or Identix common stock may trade subsequent to disclosure or consummation of the merger.

USBX did not recommend any specific exchange ratio to the board of directors or that any specific exchange ratio constituted the only appropriate exchange ratio with respect to the merger agreement and the merger. In addition, USBX s opinion and presentation to the board of directors was one of many factors taken into consideration by the board of directors in making its decision to approve the merger agreement and the merger. Consequently, the USBX analyses as described above should not be viewed as determinative of the opinion of the board of directors with respect to the exchange ratio or whether our board of directors would have been willing to agree to a different exchange ratio.

USBX is a Los Angeles based boutique investment bank and is engaged in a broad range of investment banking and financial advisory activities, including activities relating to corporate finance, mergers and acquisitions, leveraged buyouts and private placements. USBX is focused on the security industry and has particular experience analyzing security-related companies such as Identix. The board of directors of Viisage selected USBX to act as financial advisor to Viisage in this transaction based on, among other things, USBX s understanding of Viisage s strategy and capabilities, together with its broad knowledge of the security industry.

USBX has provided certain investment banking services to Viisage from time to time, including having acted as financial advisor to Viisage in connection with L-1 Investment Partners investment in Viisage, pursuant to which USBX received a success fee in December 2005. USBX issued a fairness opinion to Viisage s board of directors in connection with the L-1 Investment Partners transaction in October 2005, and received a fee pursuant thereto. USBX also issued a fairness opinion to Viisage s board of directors in November 2005 in connection with the company s acquisition of Integrated Biometric Technologies, LLC, and received a fee pursuant thereto. In October 2004, USBX acted as financial advisor to Viisage in connection with its acquisition of Imaging Automation, Inc. and received fees for such advisory services and in connection with the issuance of a fairness opinion pursuant thereto. In July 2004, USBX provided advisory services to Viisage pursuant to a follow-on public offering of its common stock and USBX received a fee for its services pursuant thereto. Viisage paid USBX aggregate fees of $1,855,000 for providing the above-described services. USBX received a $600,000 fee for rendering its fairness opinion in connection with the merger.

USBX and related parties will be indemnified against certain liabilities, including liabilities under the federal securities laws, in connection with the delivery of this opinion. USBX did not act as financial advisor to Viisage with respect to the merger and was not requested to explore alternatives to the merger in any respect. Except as described herein, no limitations were imposed on USBX by Viisage with respect to the investigations made or procedures followed by USBX in rendering its opinion.

USBX and its affiliates have in the past provided, and may in the future provide, investment banking, financial and advisory services to Viisage or its affiliates unrelated to the proposed merger, for which services they have or will receive compensation.

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Opinion of Financial Advisor to the Board of Directors of Identix

General

Janney Montgomery Scott LLC (referred to as Janney) has acted as financial advisor to Identix in connection with the merger. On January 11, 2006, Janney rendered its opinion to the Identix board of directors that as of such date and, based upon and subject to certain matters stated therein, from a financial point of view, the exchange ratio was fair to the stockholders of Identix.

The following summary is a materially complete description of the fairness opinion. The full text of the written opinion dated January 11, 2006, is included as Annex C to this joint proxy statement/prospectus. You may read the Janney opinion for a summary of the procedures followed, factors considered, assumptions made and qualifications and limitations of the review undertaken by Janney in connection with its opinion. The following is a discussion of the methodology Janney used to render its opinion.

Janney s advisory services and opinion were provided for the information and assistance of the Identix board of directors in connection with its consideration of the merger. Janney s opinion does not constitute a recommendation as to whether or not any holder of Identix common stock should vote in favor of the merger and does not address the underlying business decision of Identix to engage in the merger as compared to any other alternative business strategy that might exist for Identix or the effect of any other transactions in which Identix might engage.

Although Janney evaluated the fairness of the exchange ratio, from a financial point of view, the exchange ratio itself was determined by Identix and Viisage through arm s-length negotiations. Identix did not provide specific instructions to, nor place any limitations on, Janney with respect to the procedures to be followed or factors to be considered by Janney in performing its analyses or providing its opinion.

In arriving at its opinion, Janney:

- reviewed and analyzed Forms 10-K, 10-Q and other documents as filed with the Securities and Exchange Commission for the prior four fiscal quarters and prior fiscal year for both Identix and Viisage, as well as by certain public companies (collectively referred to as the members of the Peer Groups) deemed by Janney to be relevant and comparable to Identix and Viisage;
- reviewed and analyzed certain non-public financial and operating information concerning Identix, such information (referred to as the Identix Management Forecast) obtained from Identix;
- reviewed and analyzed certain non-public financial and operating information concerning Viisage, such information (referred to as the Viisage Management Forecast) obtained from Viisage;
- reviewed and analyzed publicly-available estimates of the future financial performance (and associated financial models) for Identix and Viisage developed in the normal course of business by the Equity Research Department of Janney (referred to as the Janney Research Estimates);

discussed the Identix Management Forecast and the Viisage Management Forecast, and Janney s analyses thereof, as well as the Janney Research Estimates, with members of senior management of Identix and Viisage;

reviewed and analyzed publicly available estimates of the respective future financial performance of the companies of the Peer Groups (such estimates obtained from the Equity Research Department of Janney and other third party providers of such estimates);

reviewed and analyzed the historical market prices and trading activity for the common shares of Identix, Viisage and the companies of the Peer Groups;

reviewed and analyzed the historical financial results of Identix, Viisage and the companies of the Peer Groups;

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reviewed and analyzed the financial terms of the merger, comparing such terms with the financial terms of certain other mergers and acquisitions deemed by Janney to be relevant and comparable to the merger;

reviewed and analyzed the merger agreement, in final form as of January 11, 2006; and

reviewed and analyzed the relative contributions of Identix and Viisage to the combined company on a pro forma basis.

In the context of due diligence associated with the merger, Janney had discussions with the management of Identix and Viisage concerning their respective businesses, operations, assets, financial conditions and prospects.

For purposes of its analysis, Janney relied upon Janney Research Estimates for Identix and Viisage prepared internally by Janney research analysts. Further, while Janney did undertake an assessment of potential synergies and efficiencies that might result from the merger, Janney did not incorporate such an assessment into its determination of fairness of the exchange ratio, as the timing of such synergies and efficiencies, while potentially significant, is uncertain.

In arriving at its opinion, Janney assumed and relied upon the accuracy and completeness of the financial and other information used by it without assuming any responsibility for independent verification of such information. Janney also assumed that there had been no material change in the assets, financial condition or business of Viisage and Identix since the date of the most recent financial statements made available to it. Janney also relied upon the assurances of management of Identix and Viisage that they were not aware of any facts or circumstances that would make such information inaccurate or misleading or otherwise inconsistent with the financial performance estimates set forth in the Janney Research Estimates. Janney assumed, based on statements by Identix, the financial projections of Identix incorporated into the Identix Management Forecast were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Identix as to the future financial performance of Identix. Janney assumed, based on statements by Viisage, the financial projections of Viisage incorporated into the Viisage Management Forecast were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Viisage as to the future financial performance of Viisage. Further, Janney relied on assumptions it deemed reasonable, including assumptions regarding industry-specific factors, such as the emergence of biometrics applications in the commercial/enterprise and consumer markets, the growth of such markets and the ability of Viisage and Identix to take advantage of the same.

In arriving at its opinion, Janney conducted only a limited physical inspection of the properties and facilities of Identix and Viisage. Janney also did not make or obtain any evaluations or appraisals of the assets or liabilities of Identix and Viisage. In arriving at its opinion, Janney also reviewed and evaluated such other financial studies and analyses, performed such other investigations, and took into account such other matters as it deemed necessary, including an assessment of general economic, monetary and securities market conditions.

Upon advice of Identix and its legal advisors, Janney assumed the proposed transaction will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and, accordingly, as a tax-free transaction to the stockholders of Identix. Janney also assumed, with the consent of Identix, that in the course of obtaining necessary regulatory and third party approvals and consents for the merger, no modification, delay, limitation, restriction or condition will be imposed that will have a material adverse effect on Identix or Viisage or the contemplated benefits of the merger and that the merger will be consummated in accordance with the terms of the merger agreement, without waiver, modification or amendment of any material term, condition or agreement contained in the merger agreement. Janney s opinion necessarily was based upon market, economic and other conditions as they existed on, and could be evaluated as of, the date of such opinion.

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Janney expressed no opinion as to the prices at which shares of Identix common stock would trade following the announcement of the merger, and its opinion should not be viewed as providing any assurance that the market value of shares of Identix common stock after consummation of the merger will be in excess of the market value of such shares at any time prior to announcement or consummation of the merger.

In arriving at its opinion, Janney did not ascribe a specific range of value to Identix or Viisage, but rather made its determination as to the fairness of the exchange ratio on the basis of financial and comparative analyses described below. The preparation of a fairness opinion such as that rendered by Janney involves various subjective determinations of the most appropriate and relevant methods of financial and comparative analysis and the application of those methods to the then current circumstances. As such, a fairness opinion is not readily susceptible to summary description. Janney did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Janney believes its analyses must be considered as a whole and considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

In its analyses, Janney made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Identix and Viisage. None of Identix, Viisage, Janney or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses were not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth in the analyses.

The following is a summary of the material financial analyses undertaken by Janney in connection with developing its opinion. Some of the summaries of the financial and comparative analyses include information presented in tabular format. In order to fully understand the methodologies used by Janney and the results of its financial and comparative analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial and comparative analyses. Accordingly, the information presented in the tables and described below must be considered as a whole. Considering any portion of such analyses and of the factors considered, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying Janney s opinion.

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Analysis of Peer Groups

Using publicly available information, Janney compared selected financial data of Identix and Viisage with each other and with similar data of companies making up the Peer Groups. Specifically, Janney included in its review the following companies, segregated into three specific groups based on their respective products and markets:

Peer Group 1	Biometrics /Secure Credentials vendors of identification and authentication solutions, including vendors focused on the provision and use of secure credentials and/or biometric technologies, serving predominantly government, civil agency and law enforcement customers:
	ActivIdentity Inc.
	Cogent, Inc.
	Digimarc Corporation
	Fargo Electronics, Inc.
	ImageWare Systems, Inc.
	LaserCard Corporation
	SAFLINK Corporation
Peer Group 2	Authentication /Access Management vendors of identification and authentication solutions, including vendors focused on provision of token-based access management solutions, serving predominantly business customers:
	Aladdin Knowledge Systems Ltd.
	Entrust, Inc.
	RSA Security, Inc.
	SafeNet, Inc.
	Secure Computing Corporation
	VASCO Data Security International
	VeriSign, Inc.
Peer Group 3	Information Security /Secure Content vendors of information security solutions, including those focused on the provision of network security and secure content solutions, serving predominantly business customers:

Blue Coat Systems, Inc.

Internet Security Systems, Inc.

McAfee, Inc.

Secure Computing Corporation

SonicWALL, Inc.

Symantec Corporation

Tumbleweed Communications Corporation

Websense Inc.

In performing the analysis of the Peer Groups, Janney:

- calculated the Enterprise Value of each company (Enterprise Value represents the product of a company s stock price multiplied by the number of that company s diluted common shares outstanding (i.e., that company s Market Capitalization), plus debt and the liquidation value of its preferred stock, if any, minus cash and the value of certain other assets including minority interests in other entities and certain intangible assets, if any);

- calculated the ratio of Enterprise Value to Revenue for each company using each company s historical revenue for the latest twelve months (referred to as LTM) ended September 30, 2005, and forecasted revenue for the calendar years ending December 31, 2006, and December 31, 2007;

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calculated ranges of implied Enterprise Value for Identix by multiplying the low, mean and high values of these ratios for each of the Peer Groups by the historical revenue for Identix for the LTM ended September 30, 2005, and the forecasted revenue, as set forth in the Janney Research Estimates, for the calendar years ending December 31, 2006, and December 31, 2007;

calculated ranges of implied Market Capitalization for Identix by adding the cash, and subtracting the debt, present on the Identix Balance Sheet as of September 30, 2005 (the most recent balance sheet available for purposes of this calculation), to the ranges of implied Enterprise Value for Identix;

determined, by dividing these ranges of implied Market Capitalization for Identix by the current diluted number of Identix common shares outstanding, ranges of implied per share values for Identix, comparing this range of per share values to that per share value implied by the exchange ratio as of January 11, 2006; and

calculated, using the implied price per share values for Identix, a range of implied exchange ratios and compared the range of implied exchange ratios to the exchange ratio.

In its analysis of the Peer Groups, Janney calculated Enterprise Value for companies in the Peer Groups using closing stock prices as of January 10, 2006.

The following table presents the low, mean and high values of the ratio of Enterprise Value to Revenue for the corresponding period associated with the companies in the Peer Groups:

		Enterprise Value/Revenue		
		Low	**Mean**	**High**
Biometrics/Secure Credentials	EV/LTM Revenue	0.2x	4.6x	14.0x
	EV/2006 Revenue (1)	1.0x	3.3x	8.8x
	EV/2007 Revenue (1)	0.7x	2.4x	4.4x
Authentication/Access Management	EV/LTM Revenue	2.1x	3.5x	7.8x
	EV/2006 Revenue (1)	1.8x	2.7x	4.5x
	EV/2007 Revenue (1)	1.6x	2.3x	3.3x
Information Security/Secure Content	EV/LTM Revenue	1.9x	4.1x	9.4x
	EV/2006 Revenue (1)	1.5x	3.1x	7.0x
	EV/2007 Revenue (1)	1.2x	2.8X	5.7x

(1) Source: Janney Research Estimates

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The following table presents the low, mean and high implied prices per share, as well as the low, mean and high implied exchange ratios, calculated using the methodology described above, associated with the companies in the Peer Groups:

		Implied Identix Price Per Share ($)			Implied Exchange Ratio		
		Low	Mean	High	Low	Mean	High
Biometrics/Secure Credentials	EV/LTM Revenue	$ 0.53	$ 4.63	$ 13.40	0.029x	0.258x	0.745x
	EV/2006 Revenue (1)	$ 1.55	$ 4.33	$ 10.97	0.086x	0.241x	0.610x
	EV/2007 Revenue (1)	$ 1.38	$ 3.90	$ 6.87	0.077x	0.217x	0.382x
Authentication/Access Management	EV/LTM Revenue	$ 2.30	$ 3.61	$ 7.62	0.128x	0.201x	0.424x
	EV/2006 Revenue (1)	$ 2.51	$ 3.60	$ 5.78	0.140x	0.200x	0.321x
	EV/2007 Revenue (1)	$ 2.71	$ 3.75	$ 5.23	0.151x	0.209x	0.291x
Information Security/Secure Content	EV/LTM Revenue	$ 2.11	$ 4.17	$ 9.11	0.118x	0.232x	0.507x
	EV/2006 Revenue (1)	$ 2.15	$ 4.08	$ 8.79	0.120x	0.227x	0.489x
	EV/2007 Revenue (1)	$ 2.12	$ 4.49	$ 8.79	0.118x	0.250x	0.489x

(1) Source: Janney Research Estimates.

Reflecting closing share price data from January 10, 2006, the value of a share of Identix common stock implied by the exchange ratio was $8.64, representing the product of the exchange ratio (0.473 x) multiplied by $18.26, the closing price of a share of Viisage common stock on that date. Janney noted this implied value compared favorably to all of the mean values, and many of the high values, shown in the proceeding table. In particular, Janney noted the $8.64 implied price significantly exceeded the $6.87 value implied by the Enterprise Value /2007 Revenue multiple associated with the Biometrics /Secure Credentials Peer Group, emphasizing the relative importance of projected 2007 revenue in the current valuation of companies in the Biometrics /Secure Credentials Peer Group. Similarly, Janney noted the exchange ratio exceeded many of the values of implied exchange ratios shown in the proceeding table.

Janney noted the stock prices used in its analysis of companies in the Peer Groups reflect the value of publicly-held companies on a going concern basis and, therefore, do not necessarily reflect the value that would be afforded to a company s common stock in the event of a change of control such as the merger. Janney noted, however, as discussed below, the average premium to the prior trading day s market price for change of control transactions deemed to be comparable to the merger was 24.2%. As such, Janney noted the $8.64 implied price, as well as the exchange ratio, compared favorably to all of the mean values, and many of the high values, shown in the proceeding table, when these individual values were increased by the average premium amount of 24.2%.

Accordingly, Janney concluded its analysis of the absolute and relative valuations of companies in the Peer Groups supported its opinion as to the fairness of the exchange ratio.

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Stock Trading History and Exchange Ratio Analysis

Janney considered historical trading prices for Identix common shares, Viisage common shares, indices based on the stock prices of the companies in the Peer Groups, and the Nasdaq composite index for the period from January 3, 2005 to January 10, 2006. The following table summarizes the results of this analysis.

	Share Price Percent Change January 3, 2005 January 10, 2006
Identix	(25.6)%
Viisage	(18.0)%
Peer Groups Indices:	
Biometrics /Secure Credentials	(17.5)%
Authentication /Access Management	5.5%
Information Security /Secure Content	21.7%
Nasdaq Composite Index	7.8%

Janney performed an analysis of historical share prices to estimate the transaction price implied by various exchange ratios, the premium or discount to market price, and the pro forma ownership of Identix stockholders in the combined company. The following table summarizes the implied per share premium for the periods shown:

	Transaction Price
Exchange Ratio	0.473
Implied Price Per Share (1/10/06)	$ 8.64
Premium to Current Price (1/10/2006)	60.0%
Premium to 10 Day Trading Average	66.4%
Premium to 20 Day Trading Average	67.4%
Premium to 30 Day Trading Average	68.9%
Premium to 60 Day Trading Average	78.6%
Premium to 120 Day Trading Average	77.4%
Premium to 180 Day Trading Average	72.8%
Premium to 52 Week High	26.1%
Premium to 52 Week Low	98.2%

Noting the relative price performance of Identix common shares for the period considered, as well as the premium represented by the $8.64 price per share implied by the exchange ratio when compared to the historical prices shown, Janney concluded such analysis supported its opinion as to the fairness of the exchange ratio.

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Janney compared the historical ratios of the closing price of a share of Identix common stock to the closing price of a share of Viisage common stock at various dates prior to January 10, 2006. Janney then compared the exchange ratio to these market-based ratios and calculated the premium or discount represented by the exchange ratio over each such ratio. A summary of the market-based ratios for the various dates chosen and the corresponding premium or discount relative to the exchange ratio is set forth in the table below:

		Exchange Ratio Analysis Based on Relationship of Historical Stock Prices
Exchange Ratio		0.473x
	Market-Based Ratio of Identix Closing Price to Viisage Closing Price	**Premium (Discount) of Exchange Ratio Relative to Market-Based Ratio**
1 Trading Day	0.296x	59.8%
5 Trading Days	0.286x	65.4%
10 Trading Days	0.294x	60.9%
20 Trading Days	0.323x	46.4%
60 Trading Days	0.358x	32.1%
120 Trading Days	0.420x	12.6%
180 Trading Days	0.626x	(24.4)%
One Year (1/10/05)	0.333x	12.3%

Janney observed that the exchange ratio represented a premium to the market-based ratio for seven of the eight dates measured. Janney noted the price performance of a share of Viisage common stock relative to that of a share of Identix common stock was poor during the first half of 2005, largely due to investor concerns caused by delays experienced by Viisage in filing quarterly and annual financial statements with the Securities and Exchange Commission. As a result, the market-based ratio of closing prices exceeded the one year average of such ratio of 0.446 for a period of approximately three months (i.e., approximately March 2005 through May 2005). Accordingly, Janney concluded such analysis supported its opinion as to the fairness of the exchange ratio.

Precedent Transaction Analysis

The analysis of precedent transactions provides relative valuation benchmarks based on the consideration paid in selected transactions deemed by Janney to be comparable to the merger. For this analysis, Janney reviewed publicly available information for a broad range of change of control transactions involving companies in sectors of the Information Technology industry deemed comparable to those served by Identix and Viisage. Based on this review, Janney identified 21 stock for stock mergers completed since January 1, 2003, and assessed the terms of these mergers, the premiums or discounts implied by the exchange ratios associated with each merger, and the relative valuation metrics associated with each merger. These 21 stock for stock mergers are identified in the following table:

Announced	Target	Buyer
11/02/2005	Advanced Power Technology Inc. (NasdaqNM:APTI)	Microsemi Corp. (NasdaqNM:MSCC)
09/12/2005		

	Siebel Systems Inc. (NasdaqNM:SEBL)	Oracle Corp. (NasdaqNM:ORCL)
08/17/2005	CyberGuard Corp. (NasdaqNM:CGFW)	Secure Computing Corp. (NasdaqNM:SCUR)

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Announced	Target	Buyer
07/11/2005	Helix Technology Corp. (NasdaqNM:HELX)	Brooks Automation Inc. (NasdaqNM:BRKS)
03/21/2005	Mykrolis Corp. (NYSE: MYK)	Entegris Inc. (NasdaqNM:ENTG)
01/27/2005	August Technology Corporation (NasdaqNM:AUGT)	Rudolph Technologies Inc. (NasdaqNM:RTEC)
12/27/2004	META Group Inc. (NasdaqNM: METG)	Gartner Inc. (NYSE:IT)
12/16/2004	Veritas Software Corp. (NasdaqNM: VRTS)	Symantec Corp. (NasdaqNM:SYMC)
05/19/2004	Advanced Fibre Communications Inc. (NasdaqNM: AFCI)	Tellabs Inc. (NasdaqNM:TLAB)
03/15/2004	Xicor Inc. (NasdaqNM: XICO)	Intersil Corp. (NasdaqNM:ISIL)
02/23/2004	NPtest Holding Corp. (NasdaqNM: NPTT)	Credence Systems Corp. (NasdaqNM:CMOS)
02/09/2004	NetScreen Technologies Inc. (NasdaqNM: NSCN)	Juniper Networks, Inc. (NasdaqNM:JNPR)
01/23/2004	FreeMarkets Inc. (NasdaqNM: FMKT)	Ariba Inc. (NasdaqNM:ARBA)
11/03/2003	GlobespanVirata Inc. (NasdaqNM: GSPN)	Conexant Systems Inc. (NasdaqNM:CNXT)
10/22/2003	Rainbow Technologies Inc. (NasdaqNM: RNBO)	SafeNet Inc. (NasdaqNM:SFNT)
10/14/2003	Manufacturers Services Ltd. (NYSE: MSV)	Celestica Inc. (NYSE:CLS)
08/06/2003	iManage Inc. (NasdaqNM: IMAN)	Interwoven Inc. (NasdaqNM:IWOV)
07/23/2003	Brio Software Inc. (NasdaqNM: BRIO)	Hyperion Solutions Corp. (NasdaqNM:HYSL)
06/04/2003	Handspring Inc. (NasdaqNM: HAND)	Palm, Inc. (NasdaqNM:PALM)
04/23/2003	SpeechWorks International Inc. (NasdaqNM: SPWX)	Nuance Communications, Inc. (NasdaqNM:NUAN)
02/18/2003	Allen Telecom Inc. (NYSE: ALN)	Andrew Corp. (NasdaqNM:ANDW)

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In assessing relative value, Janney focused on the ratio of Enterprise Value to LTM Revenue (i.e., the quotient of Enterprise Value, as of the date of announcement of the respective merger for the 21 companies acquired, divided by the LTM revenue of each company immediately prior to the merger). Because of losses incurred by many of the companies under consideration, as well as the LTM losses incurred by Identix and Viisage, Janney did not consider other, profitability-based valuation metrics in its analysis of precedent transactions. The following table shows the summary ratios of Enterprise Value to LTM Revenue for the selected precedent transactions.

	Enterprise Value/ LTM Revenue		
	Low Value	Mean Value	High Value
Average of Selected Comparable Transactions	0.4x	3.5x	14.2x

Janney noted the ratio of Enterprise Value to LTM Revenue for Identix was 9.6x, which compares favorably to the ratios calculated for the selected precedent transactions. Janney therefore concluded such analysis supported its opinion as to the fairness of the exchange ratio.

For these 21 precedent stock for stock mergers, Janney reviewed the premiums or discounts implied by the exchange ratios associated with each merger. Janney analyzed the implied premium to market over the acquired company s share price one-day, one-week (i.e., five trading days) and one-month (i.e., 20 trading days) prior to the announcement date of their respective transactions. Janney then calculated the average of these premiums and compared these premiums to the premiums implied by the exchange ratio. The following table summarizes the results of this analysis:

	1 Day Average	1 Week Average	1 Month Average
Premium Paid: (Premium to 1/10/2006)			
Merger	60.0%	62.3%	67.4%
Average of Selected Precedent Transactions	24.2%	28.3%	32.6%

Noting the implied premiums paid in the merger compared favorably to the averages associated with the precedent transactions considered, Janney concluded such analysis supported its opinion as to the fairness of the exchange ratio.

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Contribution Analysis

Janney analyzed the relative contributions of Identix and Viisage to the pro forma combined company for the LTM period ended September 30, 2005, using historical financial statements, and for the calendar years ending December 31, 2006, and December 31, 2007, using Janney Research Estimates for Identix and Viisage, respectively. Janney analyzed the respective contributions of each company s projected revenues, gross profit, operating income and net income.

The implied percent of equity value and implied exchange ratio in the table below denotes the respective company s share of pro forma equity and the resulting exchange ratio based on its contribution to Enterprise Value, accounting for the cash and debt contributed by each of Identix and Viisage, respectively:

	Identix Implied Approximate % of Pro Forma Equity Value	Viisage Implied Approximate % of Pro Forma Equity Value	Implied Exchange Ratio
LTM Revenue Actual	53.2%	46.8%	0.372x
2006 CY Revenue Janney Research Estimates	49.4%	50.6%	0.320x
2007 CY Revenue Janney Research Estimates	50.0%	50.0%	0.328x
LTM Gross Profit Actual	53.1%	46.9%	0.370x
2006 CY Gross Profit Janney Research Estimates	57.1%	42.9%	0.436x
2007 CY Gross Profit Janney Research Estimates	58.0%	42.0%	0.453x
LTM Operating Profit Actual	NM	NM	NM
2006 CY Operating Profit Janney Research Estimates	NM	NM	NM
2007 CY Operating Profit Janney Research Estimates	58.3%	41.7%	0.458x
LTM Net Income Actual	NM	NM	NM
2006 CY Net Income Janney Research Estimates	NM	NM	NM
2007 CY Net Income Janney Research Estimates	61.4%	38.6%	0.521x

Based on this analysis, Janney noted the implied exchange ratios and the implied pro forma ownership percentages associated with LTM results and Janney Research Estimates compared favorably to exchange ratio itself and the pro forma ownership implied by the exchange ratio (i.e., 59.1% and 40.9% for Identix stockholders and Viisage stockholders, respectively). As noted, Janney chose to rely primarily on the Janney Research Estimates in its analysis, as they reflected more conservative assumptions regarding growth and profitability for the calendar years ending December 31, 2006 and December 31, 2007. Accordingly, Janney concluded its analysis of relative contributions of Identix and Viisage to the pro forma combined company was supportive of its opinion as to the fairness of the exchange ratio.

Janney is a nationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Identix selected Janney because of its expertise, reputation and familiarity with Identix, Viisage and the security industry generally and because its investment banking professionals have substantial experience in transactions comparable to the merger.

Janney has been engaged by Identix to render this opinion, and will receive a $275,000 fee for its services. This fee is not contingent upon consummation of the merger. In addition, Janney has been engaged as financial advisor to Identix in connection with the merger and will receive a $100,000 fee for such advisory services, payment of which is contingent upon consummation of the merger and was determined by the Identix Board at its sole discretion. Identix has agreed to indemnify Janney against certain potential liabilities, including liabilities under the federal securities laws, in connection with Janney s services and to reimburse Janney for certain expenses in connection with these services. Other than in connection with the merger, Janney has not performed any financial advisory services for Identix in the past two years.

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The opinion issued to Identix in connection with the merger is directed to the board of directors of Identix only and does not constitute a recommendation to any holder of Identix common stock as to how such holder should vote at the meeting.

Interests of Certain Viisage Persons in the Merger

In considering the recommendation of the Viisage board of directors regarding the merger agreement, stockholders should be aware that some of the directors and executive officers of Viisage have interests in the merger that may be different from, or are in addition to, the interests of Viisage stockholders. These interests may create an appearance of a conflict of interest. The Viisage board of directors was aware of these potential conflicts of interests during its deliberations on the merits of the merger and in making its decision to recommend to the Viisage stockholders that they vote to adopt the merger agreement. These potential conflicts of interest include:

- the vesting of options and restricted shares held by directors and executive officers of Viisage that will be accelerated upon completion of the merger in accordance with the terms of the option agreements, restricted stock agreements and the applicable stock based compensation plan;

- Viisage will continue certain indemnification arrangements for persons serving as directors and officers prior to the time of the merger;

- pursuant to an employment agreement to be entered into with the combined company, Mohamed Lazzouni, current Chief Technology Officer and Senior Vice President of Viisage, will serve as Chief Technology Officer of the combined company and will receive the agreements, compensation and benefits described below;

- pursuant to a separation agreement to be entered into with Viisage, Bernard C. Bailey, current Chief Executive Officer of Viisage, will receive severance payments subject to the consummation of the merger, as described below;

- pursuant to a severance agreement to be entered into with Viisage, Bradley T. Miller, current Chief Financial Officer of Viisage, will receive a severance payment subject to the consummation of the merger, as discussed below;

- until the effective time of the merger, each current independent Viisage board member will receive compensation of $60,000 per annum, of which up to $20,000 may be paid in cash and the balance paid in stock, and committee chairs will receive additional compensation in the same amounts paid in 2005;

- Viisage board members who do not continue as directors of Viisage will retire from the Viisage board at the closing of the proposed merger and will (i) be given two years to exercise vested options, and (ii) receive one-time cash payment of $100,000 at the closing of the proposed merger;

- the combined company s board of directors will initially consist of thirteen directors, which will include Messrs. LaPenta, Nessen, Gelbard, Berube, Beck and Tenet and Ms. Mouchly-Weiss, current Viisage directors, and two additional directors identified by Viisage who are expected to be named prior to the closing of the merger;

- Mr. LaPenta will be appointed as Chairman of the Board and Mr. Nessen will be appointed as chairman of the audit committee and as a member of the nominating and governance committee, Mr. Gelbard will be appointed as chairman of the nominating and governance committee, Mr. Berube and Mr. Tenet will be appointed as members of the compensation committee, and Ms. Mouchly-Weiss will be appointed as a member of the audit and nominating and governance committees of the combined company;

Viisage has entered into voting agreements with certain directors and officers of Identix, who beneficially hold in the aggregate approximately 4.8% of Identix outstanding common stock, pursuant to which the Identix stockholders have agreed to vote their shares of Identix common stock (or 50% of their shares in the event of a change in the recommendation of Identix board of directors with respect to

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the adoption of the merger agreement) in favor of the approval and adoption of the merger agreement and the merger; and

each member of the Viisage board of directors, each of the executive officers of Viisage and certain principal stockholders (Lau, Aston and L-1 which are affiliates of certain board members) who together beneficially hold approximately 45.3% of the Viisage common stock outstanding, have entered into voting agreements with Identix, in which they have agreed, in their capacities as stockholders of Viisage, to vote in favor of Proposals 1 and 2A-2E described in this joint proxy statement/prospectus and have granted Identix an irrevocable proxy with respect to such matters. However, in the event the Viisage board of directors changes its recommendation to the stockholders to approve the issuance of Viisage common stock pursuant to the merger and the charter amendments, such obligation to vote shall relate to 50% of the shares subject to the Viisage voting agreements.

In addition, Aston, which beneficially owns approximately 28.5% of our common stock as of June 30, 2006 (or 29.1% when considered with its affiliate, L-1), and certain affiliates of L-1 and Aston, may have interests in the merger that are different from, or in addition to, your interests. These potential conflicts of interest include:

Robert V. LaPenta, current Chairman of Viisage and an affiliate of L-1 and Aston, will serve as the Chairman of the Board, Chief Executive Officer and Chief Operating Officer of the combined company and will receive the agreements, compensation and benefits described below;

James DePalma, Joseph Paresi and Doni Fordyce, who are affiliates of L-1 and Aston Capital Partners, L.P., will serve as the Chief Financial Officer and Treasurer, Chief Sales and Marketing Officer and Executive Vice President, respectively, of the combined company, and will receive the agreements, compensation and benefits described below;

in accordance with the terms of an investment agreement between Viisage and Aston, Viisage issued warrants to Aston to purchase an aggregate of 1,600,000 shares of Viisage common stock at an exercise price of $13.75 per share of which 1,280,000 vest on a pro rata basis when and if acquisitions involving the payment of an aggregate consideration of $125 million are consummated by Viisage or upon a change of control of Viisage. The remaining 358,400 of the 1,280,000 acquisition-related warrants that have not yet vested will vest at the closing of the merger;

pursuant to a consulting agreement to be entered into between L-1 and Viisage, L-1 will receive a one-time fee of $2.5 million simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and other transactions, including, without limitation, assisting Viisage in (1) analyzing the operations and historical performance of target companies; (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other matters;

Aston and Viisage have reached an agreement in principle whereby Aston has agreed to sell AFIX Technologies, Inc., a portfolio company of Aston which provides fingerprint and palmprint identification software to local law enforcement agencies, to the combined entity at fair market value, which will be determined by an independent appraiser. At the time of this joint proxy statement/prospectus, no other terms of this potential sale have been agreed to and it is subject to the negotiation, execution and delivery of a definitive acquisition agreement mutually acceptable to the parties;

in connection with the relocation of the corporate headquarters of Viisage to the present offices of L-1 in Stamford, Connecticut, Viisage has entered into a sublease with L-1, pursuant to which the combined company will pay the rent and other costs payable by L-1 from the effective time of the merger until the earlier of (i) the expiration or termination of the lease or (ii) unless otherwise mutually agreed to by Viisage and L-1, as promptly as practicable but in no event later than 60 days following the date upon which Mr. LaPenta ceases to be Chief Executive Officer of the combined company for any reason. Viisage estimates the costs related to the sublease to be approximately $720,000 per year; and

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in connection with the merger, Viisage entered into an arms-length agreement with Bear Stearns pursuant to which Bear Stearns provided financial advisory services related to the merger. The spouse of Ms. Fordyce is a partner and senior investment banker at Bear Stearns involved with the Viisage engagement and certain employees of Bear Stearns have substantial personal investments in L-1. Pursuant to the letter agreement, Bear Stearns is entitled to a fee of $2.5 million upon the closing of the merger, plus expense reimbursement, as well as exclusive rights to act as underwriter, placement agent and/or financial advisor to Viisage with respect to certain financings and other corporate transactions in the future.

No other fees are payable to L-1, its employees or its affiliates retroactively, currently or in the future.

For more information about the consulting agreement and sublease to be entered into with L-1, see Certain Relationships and Related Transactions Relationship with L-1 Investment Partners, LLC and Aston Capital Partners, L.P. beginning on page 215 of this joint proxy statement/prospectus.

Accelerated Vesting of Options and Restricted Stock for Viisage Executive Officers

Pursuant to the terms of their option agreements and restricted stock agreements, the executive officers of Viisage listed below will be entitled to accelerated vesting of all unvested options and restricted shares held by them upon a change of control. The merger constitutes a change of control under the agreements. The following table summarizes the options and restricted shares held by executive officers of Viisage that will vest upon the closing of the merger:

Executive Officer	Unvested Options	Restricted Shares
Iftikhar Ahmad	31,789	2,720
Bernard C. Bailey	106,909	4,533
James P. Ebzery	34,560	1,813
Mohamed Lazzouni	81,394	1,813
Bradley T. Miller	100,000	
Ron van Os	11,880	2,040

For more information concerning the acceleration of options and restricted shares, see Information Regarding Viisage Directors and Certain Executive Officers Executive Option Grants Employment Agreements beginning on page 211.

Benefits to Viisage Directors Who Do Not Continue as Directors Following the Merger

Viisage board members who do not continue as directors of the combined company will retire from the Viisage board at the closing of the merger and will (i) be entitled to two years to exercise vested options, and (ii) receive a one-time cash payment of $100,000 at the closing of the merger.

Viisage Board Seats

Following the closing of the merger, the Viisage board will initially consist of thirteen members, nine of whom will be designated by Viisage and four of whom will be designated by Identix. The board shall consist of (i) four directors designated by Identix as Class III directors whose term of office shall expire in 2008, unless in each case such nominee shall have resigned, retired or otherwise become unable to serve prior to the effective date of the merger, (ii) five directors designated by Viisage as Class II directors whose term of office shall expire in 2007, unless in each case such nominee shall have resigned, retired or otherwise become unable to serve prior to the effective date of the merger, and (iii) four directors designated by Viisage as Class I directors whose term of office shall expire in 2009, unless in each case such nominee shall have resigned, retired or otherwise become unable to serve prior to the effective date of the merger.

For service as independent directors of Viisage, will each receive (i) an annual cash retainer of $40,000, (ii) a meeting fee of $2,000 for each Viisage board meeting attended, (iii) a meeting fee of $1,000 for each

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Viisage board committee meeting attended in the director s capacity as committee member, (iv) a quarterly fee of $5,000 for each Viisage board committee chaired or vice-chaired by such director, and (v) an annual stock grant for 3,000 shares of Viisage common stock. In addition, Viisage will pay a director compensation in the amount of board meeting fees if the Viisage chairman requests the director to attend customer meetings, investor meetings or other similar meetings outside of a regular or special board or committee meeting.

Mr. LaPenta, the current Chairman of the Viisage board, will be appointed as Chairman of the board of directors of the combined company, Mr. Nessen will be appointed as chairman of the audit committee and as a member of the nominating and governance committee, Mr. Gelbard will be appointed as chairman of the nominating and governance committee, Mr. Berube and Mr. Tenet will be appointed as members of the compensation committee, and Ms. Mouchly-Weiss will be appointed as a member of the audit and nominating and governance committees of the combined company.

Pursuant to the merger agreement, Viisage has agreed to cause each member of its board of directors, including the directors elected to the board of directors at the special meeting, that will not be a director of Viisage upon completion of the merger to resign effective immediately prior to the effective time of the merger. Viisage agreed to cause each member of its board of directors that is a Class III director to resign effective immediately prior to the effective date of the merger; provided that any such Class III director that has been designated by Viisage as a Class I or Class II director shall be reappointed to the board of directors of Viisage as a Class I or Class II director. As of the date of this joint proxy/prospectus, Viisage intends to designate Messrs. LaPenta, Nessen, Gelbard, Berube, Beck and Tenet and Ms. Mouchly-Weiss, current Viisage directors, and two additional directors identified by Viisage who are expected to be named prior to the closing of the merger.

Employment and change in control arrangements

Subject to the consummation of the merger, Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce will receive the following compensation pursuant to employment agreements to be entered into with Viisage, each commencing June 1, 2006 and continuing for three years from the effective time of the merger.

Robert V. LaPenta. Mr. LaPenta will receive:

- an initial annual salary of $550,000;

- an annual target bonus equal to 50% of his annual salary, which may be paid, in the discretion of the combined company, in common stock based on certain targets determined by the board of directors;

- at the effective time of the merger, options to purchase 350,000 shares of common stock, which will be exercisable at market price with a term of ten years and vest over four years;

- any additional grants of equity compensation as determined annually in the sole discretion of the compensation committee of the board of directors of the combined company;

- additional fringe benefits and reimbursement of all reasonable expenses, including, without limitation, reimbursement for use of his private jet for travel related to the business of the combined company in an amount not to exceed $50,000 per annum; and in the event of termination without cause or resignation for good reason, or, in certain circumstances, upon a change in control, immediate vesting of any unvested portion of the options to purchase 350,000 shares of common stock plus a payment equal to his base salary and bonus, based on his base salary and bonus for the prior year, prorated as necessary, for the earliest to occur of (x) 12 months following the date of termination or (y) the end of the term then in effect immediately prior to the termination.

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James DePalma. Mr. DePalma will receive:

- an initial annual salary of $325,000;
- an annual target bonus equal to 50% of his annual salary, which may be paid, in the discretion of the combined company, in common stock based on certain targets determined by the board of directors;
- at the effective time of the merger, options to purchase 200,000 shares of common stock, which will be exercisable at market price with a term of ten years and vest over four years;
- any additional grants of equity compensation as determined annually in the sole discretion of the compensation committee of the board of directors of the combined company;
- additional fringe benefits and reimbursement of all reasonable expenses; and
- in the event of termination without cause or resignation for good reason, or, in certain circumstances, upon a change in control, immediate vesting of any unvested portion of the options to purchase 200,000 shares of common stock plus a payment equal to his base salary and bonus, based on his base salary and bonus for the prior year, prorated as necessary, for the earliest to occur of (x) 12 months following the date of termination or (y) the end of the term then in effect immediately prior to the termination.

Joseph Paresi. Mr. Paresi will receive:

- an initial annual salary of $225,000;
- an annual target bonus equal to 50% of his annual salary, which may be paid, in the discretion of the combined company, common stock based on certain targets determined by the board of directors;
- at the effective time of the merger, options to purchase 130,000 shares of common stock, which will be exercisable at market price with a term of ten years and vest over four years;
- any additional grants of equity compensation as determined annually in the sole discretion of the compensation committee of the board of directors of the combined company;
- additional fringe benefits and reimbursement of all reasonable expenses; and
- in the event of termination without cause or resignation for good reason, or, in certain circumstances, upon a change in control, immediate vesting of any unvested portion of the options to purchase 140,000 shares of common stock plus a payment equal to his base salary and bonus, based on his base salary and bonus for the prior year, prorated as necessary, for the earliest to occur of (x) 12 months following the date of termination or (y) the end of the term then in effect immediately prior to the termination.

Doni Fordyce. Ms. Fordyce will receive:

- an initial annual salary of $200,000;

- an annual target bonus equal to 50% of her annual salary, which may be paid, in the discretion of the combined company, in common stock based on certain targets determined by the board of directors;

- at the effective time of the merger, options to purchase 120,000 shares of common stock, which will be exercisable at market price with a term of ten years and vest over four years;

- any additional grants of equity compensation as determined annually in the sole discretion of the compensation committee of the board of directors of the combined company;

- additional fringe benefits and reimbursement of all reasonable expenses; and

- in the event of termination without cause or resignation for good reason, or, in certain circumstances, upon a change in control, immediate vesting of any unvested portion of the options to purchase 120,000 shares of common stock plus a payment equal to her base salary and bonus, based on her base salary and bonus for the prior year, prorated as necessary, for the earliest to occur of (x) 12 months following the date of termination or (y) the end of the term then in effect immediately prior to the termination.

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The combined company also intends to enter into an employment agreement with Mohammed Lazzouni to be effective at the effective time of the merger. The agreement will provide for: a retention bonus of $100,000, which will be paid contingent upon Mr. Lazzouni s continued employment with the combined company for two years following the closing of the merger; an initial grant of options to purchase 100,000 shares of common stock, which will be exercisable at market price as of the effective date of the merger and vest over three years; and severance payments equal to one year base salary in event of termination without cause or resignation for good reason, including dimunition of responsibilities.

Although the respective parties have agreed on the material terms of the employment agreements with Messrs. LaPenta, DePalma, Paresi and Lazzouni and Ms. Fordyce, these agreements have not been finalized as of the date of this joint proxy statement/prospectus. For more information about the employment agreements with Messrs. LaPenta, DePalma and Paresi and Ms. Fordyce, see Certain Relationships and Related Transactions Relationship with L-1 Investment Partners LLC beginning on page 215 of this joint proxy statement/prospectus.

Severance Payments. Viisage intends to enter into separation agreements with Mr. Bailey and Mr. Bradley, contingent upon the closing of the merger.

Bernard C. Bailey. Pursuant to the separation agreement to be entered into with Bernard C. Bailey Viisage will pay Mr. Bailey:

- one lump sum severance payment of $530,000 to be paid on January 1, 2007, which is equal to 12 months current base salary plus a target bonus of $200,000;
- a prorated bonus payment for 2006 based on a current target bonus of $200,000 to be paid on the termination date, as defined in the separation agreement;
- in connection with his agreement to expand the scope of his non-competition arrangement with Viisage, a payment of $530,000;
- on the first pay period following the closing of the merger, an integration incentive bonus of $105,000; and
- because the merger constitutes a change of control as defined in his standing option agreements, all of Mr. Bailey s stock options and restricted stock grants will immediately vest in full, and, pursuant to his separation agreement, will be exercisable for 12 months from the termination date.

The separation agreement will require that Mr. Bailey execute a general release of claims within seven days after the termination date. Further, for one year after the termination date, Mr. Bailey will not engage in any business that competes directly with Viisage, attempt to entice away any client of Viisage, or attempt to entice away anyone employed by Viisage in the immediate past year. Mr. Bailey will agree to maintain the confidentiality of all Viisage trade secrets, and confidential and proprietary information. Both Mr. Bailey and Viisage will agree to not make any disparaging or adverse remarks about the other party.

The agreement will also provide for Mr. Bailey to continue to assist the company in matters of which he may have knowledge for one year after termination. If Mr. Bailey provides more than two hours of assistance in any one month, he will receive a fee of $250 per hour.

Bradley T. Miller. Pursuant to the separation agreement to be entered into with Bradley T. Miller, upon consummation of the merger, Viisage will pay Mr. Miller:

- a lump sum severance payment in an amount of $225,000, which is equal to 12 months current base salary;

- a prorated bonus payment for 2006 based on a current target bonus of $100,000;

- on the first pay period following the closing of the merger, an integration incentive bonus of $20,000; and

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because the merger constitutes a change of control as defined in his standing option agreements, all of Mr. Miller s stock options and restricted stock grants will immediately vest in full, and, pursuant to his separation agreement, will be exercisable for twelve months from the termination date.

The separation agreement will require that Mr. Miller execute a general release of claims within seven days after the termination date. Further, for one year after the termination date, Mr. Miller will not engage in any business that competes directly with Viisage, attempt to entice away any client of Viisage, or attempt to entice away anyone employed by Viisage in the immediate past year. Mr. Miller will agree to maintain the confidentiality of all Viisage trade secrets, and confidential and proprietary information. Both Mr. Miller and Viisage will agree to not make any disparaging or adverse remarks about the other party.

The agreement will also provide for Mr. Miller to continue to assist the company in matters of which he may have knowledge for one year after termination. If Mr. Miller provides more than two hours of assistance in any one month, he will receive a fee of $200 per hour.

Although the respective parties have agreed on the material terms of the separation agreements with Messrs. Bailey and Miller, these agreements have not been finalized as of the date of this joint proxy statement/prospectus.

In addition, Viisage has entered into agreements with other executive officers of Viisage, which contain provisions for severance payments in the event of termination without cause. For more information concerning the severance payments of executive officers of Viisage, see Information Regarding Viisage Directors and Certain Executive Officers Executive Option Grants Employment Agreements beginning on page 211.

Interests of Certain Identix Persons in the Merger

In considering the recommendation of the Identix board of directors regarding the merger agreement, stockholders should be aware that some of the directors and officers of Identix have interests in the merger that may be different from, or are in addition to, the interests of Identix stockholders. These interests may create an appearance of a conflict of interest. The Identix board of directors was aware of these potential conflicts of interest during its deliberations on the merits of the merger and in making its decision to recommend to the Identix stockholders that they vote to adopt the merger agreement. These potential conflicts of interest include:

- Messrs. Cooper, Gudis and Lawler, current Identix directors and Mr. Rose will each be appointed as directors of the combined company. Identix appointed directors may appoint an additional director following the consummation of the merger;

- options to purchase shares of Identix common stock and restricted shares of Identix common stock, including those held by officers and directors of Identix, will be assumed by Viisage and will become options to acquire Viisage common stock as adjusted for the exchange ratio of the merger;

- the vesting of the restricted shares held by the non-employee directors of Identix will be accelerated upon completion of the merger in accordance with the terms of the restricted stock agreements and the applicable stock based compensation plan;

in lieu of transaction-related Identix board meeting and board committee fees until the effective time of the proposed merger, each current independent Identix board member will receive a one-time cash payment of $25,000 at the closing of the proposed merger;

the three independent Identix directors who are members of the special sub-committee related to the merger (Messrs. Cooper, Gudis and Lawler) will each receive a one-time cash payment of $25,000 and 9,000 shares of restricted stock at the closing of the proposed merger and will receive the compensation described below following the merger;

Mr. Cooper will be appointed as chairman of the compensation committee, Mr. Gudis will be appointed as a member of the audit and compensation committees, Mr. Lawler will be appointed as vice chairman of the audit committee and as a member of the nominating and governance committees, and Mr. Rose will be appointed as a member of the compensation and nominating and governance committees of the combined company;

Identix independent board members who do not continue as directors of Viisage (Messrs. Haugo and Latimer) will retire from the Identix board at the closing of the proposed merger and will receive (i) two years to exercise vested options, and (ii) one-time cash payment of $100,000 at the closing of the proposed merger;

Messrs. Haugo and Latimer will each enter into one-year consulting agreements with the combined company, pursuant to which they will each receive a fee of $30,000;

Viisage will continue certain indemnification arrangements and maintain a directors and officers liability insurance policy for persons serving as directors and officers of Identix at the time of the merger for a period of six years following the effective time of the merger;

pursuant to an employment agreement to be entered into with the combined company, Dr. Joseph J. Atick, current Chairman and Chief Executive Officer of Identix, will serve as the Corporate Chief Strategic Officer of the combined company and will receive the agreements, compensation and benefits described below;

pursuant to an employment agreement to be entered into with the combined company, Mark S. Molina, current Chief Legal Officer and Secretary of Identix, will serve as Executive Vice President, Chief Legal Officer and Corporate Secretary of the combined company and will receive the agreements, compensation and benefits described below;

pursuant to an employment agreement to be entered into with the combined company, James H. Moar, current Chief Operating Officer of Identix, will serve as President of the Biometrics Division of the combined company and will receive the agreements, compensation and benefits described below;

Elissa J. Lindsoe, current Chief Financial Officer of Identix, has indicated that she will not serve as the Chief Financial Officer of the Biometrics Division of the combined company and will receive the severance compensation and benefits described below;

Identix may, prior to the closing of the proposed merger, pay special one-time performance bonuses in cash to certain employees of Identix, including executive officers of Identix; provided that the aggregate amount of the bonuses will not exceed $500,000;

Identix has entered into voting agreements with each of the directors and executive officers of Viisage and certain principal stockholders (Lau, Aston and L-1, which are affiliates of certain board members) of Viisage who beneficially hold in the aggregate approximately 45.3% of Viisage outstanding common stock, pursuant to which the Viisage stockholders have agreed to vote their shares of Viisage common stock (or 50% of their shares in the event of a change in the recommendation of Viisage s board of directors with respect to Proposals 1 and 2A-2E described in this proxy statement/prospectus) in favor of the issuance of Viisage common stock pursuant to the merger and the amendments to Viisage s certificate of incorporation, including an amendment to increase the authorized number of shares of Viisage s common stock; and

certain members of the Identix board and executive officers of Identix, who together beneficially hold approximately 4.8% of the Identix common stock outstanding, have entered into voting agreements with Viisage, in which they agreed, in their capacities as stockholders of Identix, to vote in favor of the adoption of the merger agreement and approval of the merger. However, in the event the Identix board of directors changes its recommendation to the stockholders to adopt the merger agreement, such obligation to vote shall relate to 50% of the shares subject to the Identix voting agreements.

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Accelerated Vesting of Directors Restricted Shares

Identix non-employee members of its board of directors receive annual awards of restricted shares of Identix common stock. These awards and grants vest over time and are subject to forfeiture in the event that service on the board of directors is terminated before vesting has occurred. The Identix stock plan under which the restricted shares of common stock are awarded to non-employee board members contains a change of control provision that will cause all unvested awards to fully vest immediately prior to the consummation of the proposed merger.

The following table summarizes the restricted share awards that will vest upon completion of the proposed merger:

Non-Employee Director	Restricted Shares
Milton E. Cooper	5,000
Malcolm J. Gudis	5,000
John E. Haugo	5,000
George Latimer	5,000
John E. Lawler	5,000
Total:	25,000

Benefits to Identix Directors Who Do Not Continue as Directors Following the Merger

Current Identix board members who will not serve as directors of the combined company (Messrs. Haugo and Latimer) will retire from the Identix board at the closing of the merger and will (i) be entitled to two years to exercise vested options, and (ii) receive a one-time cash payment of $100,000 at the closing of the merger.

In addition, Messrs. Haugo and Latimer will each enter into one-year consulting agreements with the combined company, pursuant to which they will each receive a fee of $30,000.

Viisage Board Seats

Messrs. Cooper, Gudis and Lawler, current Identix directors, and Mr. Rose will each be appointed as directors of Viisage and Identix will also have the right to appoint a fifth director following the merger. For service as independent directors of Viisage, each will receive (i) an annual cash retainer of $40,000, (ii) a meeting fee of $2,000 for each Viisage board meeting attended, (iii) a meeting fee of $1,000 for each Viisage board committee meeting attended in the director s capacity as committee member, (iv) a quarterly fee of $5,000 for each Viisage board committee chaired or vice-chaired by such director, and (v) an annual stock grant for 3,000 shares of Viisage common stock. In addition, Viisage will pay a director compensation in the amount of board meeting fees if the Viisage chairman requests the director to attend customer meetings, investor meetings or other similar meetings outside of a regular or special board or committee meeting.

Mr. Cooper will be appointed as chairman of the compensation committee, Mr. Gudis will be appointed as a member of the audit and compensation committees, Mr. Lawler will be appointed as vice chairman of the audit committee and as a member of the nominating and governance committees, and Mr. Rose will be appointed as a member of the compensation and nominating and governance committees of the combined company.

Employment and change in control arrangements

Subject to the consummation of the merger, Messrs. Atick and Molina and Moar will receive the following compensation pursuant to employment agreements to be entered into with Viisage, each commencing at the effective time of the merger and continuing for three years.

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Dr. Joseph J. Atick. Dr. Joseph Atick will receive:

- an initial annual salary of $400,000;
- an annual target bonus equal to 50% of his of annual salary;
- at the effective time of the merger, options to purchase 200,000 shares of common stock, which will be exercisable at market price with a term of ten years and vest over four years;
- any additional grants of equity compensation as determined annually in the sole discretion of the compensation committee of the board of directors of the combined company;
- severance payments equal to two years base salary in event of termination without cause or resignation for good reason, including diminution of responsibilities or expiration of his employment agreement; and
- other terms no less favorable than his current agreement.

Mark S. Molina. Mr. Molina will receive:

- an initial annual salary of $285,000;
- an annual target bonus equal to 50% of his annual salary;
- at the effective time of the merger, options to purchase 150,000 shares of common stock, which will be exercisable at market price with a term of ten years and vest over four years; and
- any additional grants of equity compensation as determined annually in the sole discretion of the compensation committee of the board of directors of the combined company;
- severance payments equal to two years base salary in event of termination without cause or resignation for good reason, including diminution of responsibilities or expiration of his employment agreement; and
- other terms no less favorable than his current agreement.

In addition, prior to the effective time of the merger, Viisage and Identix will enter into an agreement with Mr. Molina for relocation of himself and family to Connecticut at the sole cost of Viisage on terms no less favorable than Identix relocation policy.

Jim Moar. Mr. Moar will receive:

- an initial annual salary of $335,000;

- an annual target bonus equal to 50% of his annual salary;

- at the effective time of the merger, options to purchase shares of common stock, which will be exercisable at market price with a term of ten years and vest over four years;

- any additional grants of equity compensation as determined annually in the sole discretion of the compensation committee of the board of directors of the combined company;

- severance payments equal to two years base salary in event of termination without cause or resignation for good reason, including diminution of responsibilities or one year base salary upon expiration of his employment agreement; and

- other terms no less favorable than his current agreement.

Although the respective parties have agreed on the material terms of each of the employment agreements discussed above, the agreements themselves have not yet been finalized.

Severance Payments. Elissa J. Lindsoe, current Chief Financial Officer of Identix, has indicated that she will not serve as the Chief Financial Officer of the Biometrics Division of the combined company. Under her

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employment agreement, Ms. Lindsoe will receive, subject to the consummation of the merger, a cash payment of $315,000 equal to one year base salary plus a bonus of $105,000, insurance coverage and acceleration of vesting of options, which will be exercisable for one year from the termination date.

Current employment agreements of certain executive officers of Identix contain provisions for severance payments in the event of termination upon a change of control event. The officers and the severance payments payable to each are set forth in the table below:

Executive Officer	Severance Payment
Dr. Joseph J. Atick	Upon resignation within 18 months after a change in control, a severance payment equal to greater of (a) two times his then current base salary and most recent bonus or (b) lesser of (i) $2,000,000 and (ii) 5% of the company s liquid assets; 100% option acceleration
James H. Moar	Extension of the term of the agreement for one year after the date of change of control, if a change of control event occurs during the third year of the term of the agreement
Mark S. Molina	Upon resignation due to a relocation in excess of mile requirements after a change in control, a severance payment of 18 months base salary and all accrued bonuses; 100% option acceleration; if a change in control occurs within 12 months before August 22, 2007, term of the agreement shall be extended to first anniversary of the change in control event

Indemnification of Viisage and Identix Directors; Directors and Officers Insurance

Under the terms of the merger agreement, Viisage has agreed that it will, and will cause the combined company to, honor all of the indemnification obligations of Viisage and Identix to their directors and officers that exist on the date of the merger agreement, to the fullest extent authorized or permitted by Delaware law.

In addition, the combined company will indemnify each person who served as a director or officer of Viisage or Identix or any of their subsidiaries prior to the completion of the merger, to the fullest extent authorized or permitted by Delaware law, in connection with claims related to facts or events that occurred on or before the completion of the merger. Furthermore, the combined company will advance expenses incurred by any person who served as a director or officer of Viisage or Identix prior to the completion of the merger in defending, serving as a witness or otherwise participating in any claim related to facts or events that occurred on or before the completion of the merger, including any expenses incurred by such person in enforcing their rights with respect to indemnification or advancement. As used in the merger agreement, the term claim means any threatened, asserted, pending or completed action, suit or proceeding, or any inquiry or investigation, which, in the good faith belief of a person who served as a director or officer of Identix prior to the completion of the merger, might lead to an action, suit or proceeding, whether civil, criminal, administrative, investigative or other, including any arbitrator or other alternative dispute mechanism resulting from such person s service as a director, officer, trustee, employee, agent or fiduciary of Identix. As used in the merger agreement, expenses means documented and reasonable attorneys fees and all other documented and reasonable costs, expenses and obligations incurred in connection with investigating, defending, being a witness or otherwise participating in a claim.

For six years after the completion of the merger, the certificate of incorporation and bylaws of the combined company will contain provisions regarding elimination of liability of directors, indemnification of directors, officers and employees and advancement of expenses which are no less advantageous to the directors, officers and employees who were indemnified by Viisage or Identix immediately prior to completion of the merger as the exculpation, indemnification and advancement provisions that were contained in the certificate of incorporation and bylaws of Viisage or Identix in effect at the time the merger agreement was executed. The certificate of incorporation and bylaws of Viisage or Identix generally eliminate personal liability of the directors and officers of the respective companies and provide indemnification to such directors and officers, in each case to the fullest extent permitted by applicable law.

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The merger agreement also provides that Viisage will maintain, for a period of six years after completion of the merger, the directors and officers fiduciary liability insurance policies maintained by Viisage or Identix, or policies of at least the same coverage and amounts containing terms and conditions that are no less advantageous to the insured, with respect to claims arising from facts or events that occurred on or before the completion of the merger, although Viisage will not be required to make annual premium payments in excess of 300% of the annual premiums currently paid by Viisage or Identix and its subsidiaries for directors and officers liability insurance.

The merger agreement, and, in the case of those Identix executive officers who will execute employment agreements with Viisage, the terms of such employment agreements, provide that each Identix director or executive officer, as the case may be, is entitled to directly enforce the indemnification and insurance obligations described above against Viisage. Additionally, Viisage has agreed to bear the burden of proof in the event there is a determination concerning the entitlement of Identix directors and officers to the indemnification and insurance benefits described above.

In addition, prior to the closing of the merger, Viisage will enter into indemnification agreements with Identix officers and directors continuing to provide services to the combined company on the terms no less favorable than current Identix indemnification agreements. The indemnification agreements will indemnify continuing officers and directors of Identix to the fullest extent permitted by Delaware law and will become effective at closing.

Mitigation of Risks Associated with Integration

In an effort to try and mitigate the risks and challenges associated with integration of Viisage and Identix, both Viisage and Identix established integration planning work teams following execution of merger agreement. Such integration planning work teams are comprised of a wide range of functional managers from both entities, and members of these work teams have met on a periodic basis, telephonically and in person, to develop detailed integration plans intended to help facilitate a coordinated and efficient integration process once the merger closes. The integration planning work teams have discussed, among other things:

- internal controls and business and financial processes and systems;
- sales and marketing plans;
- technology, including research and development;
- distribution and customer relationships;
- production and procurement arrangements;
- personnel needs and requirements; and
- other potential integration challenges and issues.

For a more complete description of the risks related to the integration of Viisage and Identix, see Risks Related to the Merger Integration of the two businesses may be difficult to achieve, which may adversely affect operations on page 10.

Governmental and Regulatory Matters

The merger is subject to the requirements of the Hart Scott Rodino Antitrust Improvements Act, which prevents certain 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 the applicable waiting periods end or expire. On March 23, 2006, the Department of Justice and the Federal Trade Commission granted Viisage and Identix early termination of the applicable waiting period.

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Neither Viisage nor Identix is aware of any other material governmental or regulatory approval required for completion of the merger, other than the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part, and compliance with applicable corporate law of the State of Delaware.

Material United States Federal Income Tax Considerations

The following discussion summarizes the material United States federal income tax consequences of the merger that are generally applicable to U.S. holders of Identix common stock. This discussion is based on the Internal Revenue Code (referred to as the Code), Treasury regulations, administrative rulings and court decisions in effect as of the date of this joint proxy statement/prospectus, all of which may change at any time, possibly with retroactive effect.

For purposes of this discussion, we use the term U.S. holder to mean:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxed as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions;
- a trust that (i) is subject to the primary supervision of a court within the United States and the control of one or more United States persons or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person; or
- an estate that is subject to United States federal income tax on its income regardless of its source.

This discussion assumes that holders of Identix common stock hold their stock as capital assets within the meaning of Section 1221 of the Code. This discussion does not address all aspects of United States federal income taxation that may be important to an Identix stockholder in light of his or her particular circumstances or particular tax status, including the following:

- stockholders who are not U.S. holders;
- stockholders who are subject to the alternative minimum tax provisions of the Code;
- financial institutions;
- tax-exempt organizations;

- insurance companies;
- partnerships, S corporations or other pass-through entities;
- stockholders who have a functional currency other than the U.S. dollar;
- dealers in securities or foreign currency;
- traders in securities who elect the mark-to-market method of accounting for the securities;
- stockholders who acquired their shares in connection with stock option or stock purchase plans or in other compensatory transactions; and
- stockholders who hold their shares as part of a hedge, straddle or conversion transaction.

In addition, the following discussion does not address the tax consequences of other transactions effectuated prior to, concurrently with, or after the merger, whether or not such transactions are in connection with the merger. Furthermore, no foreign, state or local tax considerations are addressed.

Therefore, we encourage you to consult your own tax advisor as to the specific federal, state, local and foreign tax consequences to you of the merger and related reporting obligations.

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Tax Consequences of the Merger

Based on representations contained in representation letters provided by Viisage and Identix and on certain customary factual assumptions, all of which must continue to be true and accurate in all material respects as of the effective time of the merger, it is the opinion of Heller Ehrman LLP, counsel to Identix, and Choate, Hall & Stewart LLP, counsel to Viisage, that the material United States federal income tax consequences of the merger are as follows:

- The merger will be treated as a reorganization within the meaning of Section 368(a) of the Code.

- Neither Viisage, VIDS Acquisition Corp., nor Identix will recognize gain or loss as a result of the merger.

- No gain or loss will be recognized by holders of Identix common stock upon receipt of Viisage common stock pursuant to the merger, other than with respect to cash received in lieu of fractional shares of Viisage common stock.

- Provided that the aggregate amount of cash paid in lieu of fractional shares of Viisage is not more than one percent of the total consideration paid in the merger, and no Identix shareholder receives cash in excess of the value of one fractional share of Viisage, the payment of cash in lieu of a fractional share of Viisage common stock will be treated as if that fractional share had been issued and then redeemed for cash by Viisage. In that case, the Identix stockholder receiving cash in lieu of a fractional share of Viisage common stock will be treated as having sold the fractional share and will recognize capital gain or loss equal to the amount by which the amount of cash received exceeds, or is less than, the allocable basis of the fractional share. Counsel is expressing no opinion regarding the treatment of cash paid in lieu of fractional shares of Viisage common stock under any other circumstances.

- The aggregate basis of the Viisage common stock received pursuant to the merger by a holder of Identix common stock will be the same as the aggregate tax basis of the Identix common stock surrendered in exchange therefor (in the case of an Identix stockholder who is treated as receiving cash in exchange for a fractional share of Viisage common stock, excluding the portion of the stockholder s basis that is allocable to the fractional share of Viisage common stock treated as issued and redeemed).

- The holding period, for federal income tax purposes, for the Viisage common stock received pursuant to the merger by a holder of Identix common stock will include the period during which the holder held the Identix common stock surrendered in exchange therefor.

Neither Viisage nor Identix will request a ruling from the Internal Revenue Service regarding the tax consequences of the merger to Identix stockholders. The tax opinions of Choate, Hall & Stewart LLP and Heller Ehrman LLP do not bind the Internal Revenue Service and do not prevent the Internal Revenue Service from successfully asserting a contrary opinion. In addition, if any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the tax consequences of the merger could be different from the treatment provided for in the opinions.

Backup Withholding

If you are a non-corporate holder of Identix common stock, you may be subject to information reporting and backup withholding on any cash payments received in lieu of a fractional share interest in Viisage common stock. A non-corporate holder will not be subject to backup withholding, however, if such holder:

furnishes a correct taxpayer identification number and certifies that such holder is not subject to backup withholding on the substitute Form W-9 or successor form included in the letter of transmittal to be delivered to it following the completion of the merger; or

is otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against United States federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

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Reporting

Identix stockholders will be required to attach a statement to their United States federal income tax returns for the year of the merger that contains the information listed in Treasury Regulation Section 1.368-3(b). Such statement must include the stockholder s tax basis in shares of Identix common stock and a description of the Viisage common stock received.

THE PRECEDING DISCUSSION OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR DISCUSSION OF ALL POTENTIAL TAX EFFECTS RELEVANT THERETO. THE FOREGOING DISCUSSION NEITHER BINDS THE IRS NOR PRECLUDES IT FROM ADOPTING A CONTRARY POSITION. IDENTIX STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING REPORTING REQUIREMENTS, THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND OTHER APPLICABLE TAX LAWS AND THE EFFECT OF ANY PROPOSED CHANGES IN THE TAX LAWS.

Anticipated Accounting Treatment

In accordance with the provisions of Statement of Financial Accounting Standards No. 141, Viisage intends to account for the merger as a purchase transaction for financial reporting purposes under accounting principles generally accepted in the United States. After the merger, the results of operations of Identix will be included in the consolidated financial statements of Viisage. The cost of the acquisition, which is equal to the aggregate merger consideration, including the fair value of vested stock options of Identix assumed by Viisage and transaction costs, will be allocated based on the fair values of the Identix assets acquired and the Identix liabilities assumed. These allocations will be based upon valuations and other studies that have not yet been finalized.

No Appraisal Rights

Under Delaware law, neither Viisage stockholders nor Identix stockholders will have appraisal rights pursuant to the merger and the other transactions contemplated by the merger agreement.

Listing of Viisage Common Stock to be Issued Pursuant to the Merger

The shares of Viisage common stock to be issued pursuant to the merger and the shares of Viisage common stock to be reserved for issuance in connection with the assumption of outstanding Identix stock options and restricted shares are required to be approved for listing on the Nasdaq National Market.

Delisting and Deregistration of Identix Common Stock After the Merger

After the closing of the merger, the Identix common stock currently listed on the Nasdaq National Market will be delisted from the Nasdaq National Market and will be deregistered under the Securities Exchange Act of 1934, as amended.

Restriction on Resales of Viisage Common Stock

The Viisage common stock to be issued pursuant to the merger will be registered under the Securities Act, thereby allowing such shares to be freely transferable without restriction by all former holders of Identix common stock who are not deemed under the Securities Act to be affiliates of Identix at the time of the Identix special meeting and who do not become affiliates of Viisage after the merger. Persons who may be deemed to be affiliates of Viisage or Identix generally include individuals or entities that control, are controlled by or are under common control with Viisage or Identix, and may include some of their respective executive officers and directors, as well as their respective significant stockholders.

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Shares of Viisage common stock received by those stockholders of Identix who are deemed to be affiliates of Identix or Viisage under the Securities Act may not be sold except pursuant to an effective registration statement under the Securities Act covering the resale of those shares, or pursuant to Rule 145 under the Securities Act or any other applicable exemption under the Securities Act. Identix has agreed to provide a list of those stockholders considered to be affiliates to Viisage prior to the closing of the merger.

This joint proxy statement/prospectus does not cover the resale of any Viisage common stock received by any person who may be deemed to be an affiliate of Viisage or Identix.

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THE MERGER AGREEMENT

The following summary describes the material provisions of the merger agreement, as amended. This summary may not contain all of the information about the merger agreement that is important to you. You can obtain a more complete understanding of the merger by reading the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference into this joint proxy statement/prospectus. We encourage you to read the merger agreement and the other annexes to this joint proxy statement/prospectus carefully and in their entirety.

General

The merger agreement, as amended, provides that, upon the closing, VIDS Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Viisage, will merge with and into Identix with Identix surviving as a wholly-owned subsidiary of Viisage. We refer to these transactions as the merger.

Closing Matters

The parties will close the merger when all of the conditions to completion of the merger contained in the merger agreement are satisfied or waived, including adoption of the merger agreement by the stockholders of Identix, the approval of the issuance of and reservation for issuance of shares of Viisage common stock by the stockholders of Viisage, and the approval of amendments to Viisage s certificate of incorporation. As soon as practicable after the approval of amendments to Viisage s satisfaction or waiver of the closing conditions, the parties will cause the merger to be effected by filing a certificate of merger with the Delaware Secretary of State.

Consideration to be Received in Connection with the Merger; Treatment of Stock Options

Merger Consideration. Upon completion of the merger, each share of Identix common stock (including each share of Identix common stock subject to repurchase by Identix or otherwise subject to forfeiture or similar restriction) that is issued and outstanding immediately prior to the effective time of the merger will be canceled and automatically converted into the right to receive 0.473 shares of Viisage common stock. We refer to this as the exchange ratio which is subject to adjustment for stock splits, stock dividend, reorganization, recapitalizations, reclassifications or other similar changes occurring prior to completion of the merger.

Based on the exchange ratio and the number of shares of Identix common stock outstanding as of the Identix record date, a total of approximately 42.5 million shares of Viisage common stock will be issued in connection with the merger to holders of Identix common stock.

In addition, each share of common stock of VIDS Acquisition Corp. issued and outstanding immediately prior to the effective time of the merger will be automatically converted into one validly issued, fully paid and nonassessable share of common stock of the surviving corporation.

Stock Options and Restricted Shares. At the effective time of the merger, Viisage will assume all of Identix company options and option plans as permitted by applicable law, including the assumption of each company option upon the same terms and conditions as under the company option plan from which the company option was granted. Shares of Viisage common stock issued upon the conversion of Identix restricted shares will continue to be unvested and subject to the same repurchase options and risk of forfeiture.

Warrants. At the effective time of the merger, Viisage will assume all warrants of Identix outstanding immediately prior to the effective time as permitted by applicable law, including the assumption of each Identix warrant upon the same terms and conditions as set forth in the applicable Identix warrant.

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Each assumed option or warrant will be exercisable for a number of Viisage common stock equal to the product of the exchange ratio (0.473) and the number of shares of Identix common stock subject to such option or warrant, as applicable, rounded down to the nearest whole share. The exercise price or strike price per share of Viisage common stock subject to such option or warrant will be equal to the quotient obtained from dividing the exercise price per share of Identix common stock by the exchange ratio, rounded up to the nearest whole cent.

Based on the number of outstanding options, options available for future grants, and warrants as of the Identix record date, a total of approximately 6,542,581 shares of Viisage common stock will be reserved for issuance upon the exercise of options and warrants to purchase Identix common stock assumed by Viisage in connection with the merger. Viisage has agreed to file a registration statement for the shares of Viisage common stock issuable upon exercise of the assumed options, and Viisage will use its commercially reasonable efforts to maintain the effectiveness of the registration statement so long as any assumed awards remain outstanding.

Employee Stock Purchase Plans. Identix will terminate the Identix Employee Stock Purchase Plans immediately prior to the effective time of the merger. If any offering period is in progress prior to the termination, Identix will ensure that such offering period ends immediately prior to such termination, and that each participant s accumulated contributions for such offering period are applied towards the purchase of Identix common stock unless the participant has previously withdrawn from such offering period in accordance with the terms of the Identix Employee Stock Purchase Plans.

Employees of Identix and its subsidiaries who continue in the employment of the surviving corporation or Viisage or any of Viisage s subsidiaries after the effective time of the merger shall be eligible for participation in the Viisage s Employee Stock Purchase Plan.

Exchange of Certificates in the Merger

Surrender of Certificates. Promptly after the effective time of the merger, the exchange agent for the merger will mail to each record holder of Identix common stock a letter of transmittal and instructions for surrendering and exchanging the record holder s certificates. Only those holders of Identix common stock who properly surrender their Identix stock certificates in accordance with the exchange agent s instructions will receive (1) a certificate representing the number of whole shares of Viisage common stock that the holder is entitled to, (2) check in lieu of any fractional share of Viisage common stock, and (3) dividends or other distributions, if any, to which they are entitled to under the terms of the merger agreement. The surrendered certificates representing Identix common stock will be canceled. After the completion of the merger, each certificate representing the right to receive shares of Viisage common stock that has not been surrendered will represent only the right to receive the merger consideration described above.

Following the completion of the merger, Identix will not register any transfers of Identix common stock on its stock transfer books.

Distribution with Respect to Unexchanged Shares. No dividends or other distributions declared or made with respect to Viisage common stock with a record date after the effective time of the merger will be paid to the holders of any unsurrendered Identix stock certificates until such certificates are surrendered by the holder in accordance with the exchange agent s instructions. Following the surrender of any such certificates in accordance with the exchange agent s instructions, the exchange agent will deliver to the record holders thereof, without interest, the amount of any cash payable with respect to a fractional share of Viisage common stock to which such holder is entitled to and dividends and other distributions declared or made on Viisage common stock with a record date after the effective time of the merger.

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Fractional Shares

Viisage will not issue any fractional shares of common stock of Viisage in connection with the merger. Instead, each holder of Identix common stock who would otherwise be entitled to receive a fraction of a share of Viisage common stock, after aggregating all fractional shares of Viisage common stock that otherwise would be received by such holder, will receive cash, without interest and less withholding tax, in an amount equal to such fraction multiplied by a fixed amount of $8.50. Although the implied value of Identix common stock can fluctuate based on the price of Viisage common stock at the time of the merger, Viisage and Identix agreed in the merger agreement to fix the value to be paid for fractional shares based on a per share value of $8.50, which represents the approximate value per share of Identix common stock implied by the exchange ratio in the days preceding the execution of the merger agreement.

Listing of Common Stock of the Combined Company

Viisage will use reasonable best efforts to cause the shares of Viisage common stock to be issued pursuant to the merger and the shares of Viisage common stock to be reserved for issuance in connection with the merger to be authorized for listing on the Nasdaq Stock Market, subject to official notice of issuance, prior to the closing of the merger.

Covenants

Conduct of Business Before Completion of the Transaction. Under the merger agreement, Viisage and Identix have each agreed that, until the earlier of the completion of the merger or termination of the merger agreement, or unless the other party consents in writing, it will:

- carry on its operations in all material respects in the ordinary course of business consistent with past practice; and
- use reasonable best efforts to keep available the services of the current officers, key employees and key consultants and to preserve customer, supplier and other business relationships.

In addition to the above agreements regarding the conduct of business generally, each of Viisage and Identix has agreed with respect to itself and its subsidiaries to various additional specific restrictions relating to the conduct of its business, including, subject to certain exceptions, to not do any of the following:

- amend or otherwise change its certificate of incorporation, bylaws, or equivalent organizational documents;
- issue, grant or transfer any shares of capital stock except for the issuances of securities issuable upon the exercise of options or other rights outstanding as of the date of the merger agreement, and grants of stock options and restricted stock in the ordinary course of business consistent with past practice, or accelerating the vesting of any options or other rights to acquire shares of capital stock except for automatic accelerations under terms of the governing plans;

sell, pledge, dispose of, transfer, lease, license or encumber any material property or assets, except in the ordinary course of business consistent with past practice;

declare, set aside, make or pay any dividend or other distribution with respect to its capital stock, or enter into any agreement with respect to voting of the capital stock;

reclassify, combine, split or subdivide any of its capital stock or redeem, purchase or otherwise acquire any of its capital stock, other equity interests or other securities (other than repurchases of shares in connection with the termination of an employment relationship);

borrow any additional money or issue any debt securities, except for money borrowed under any existing credit facility, intercompany indebtedness involving a subsidiary or a letter of credit entered

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into during the ordinary course of business, terminate, cancel, or agree to any material adverse change in any material contract other than in the ordinary course of business consistent with past practice, make or authorize any loan outside the ordinary course of business, or enter into any new contract that would result in a significant negative gross margin;

increase the base salary, incentive compensation, severance benefits or perquisites payable to directors or officers (other than pursuant to existing contracts or performance reviews held in the ordinary course of business consistent with past practice and methodology);

increase the compensation or benefits payable to employees (other than pursuant to existing contracts or performance reviews held in the ordinary course of business consistent with past practice and methodology);

grant any rights to severance or termination pay to any director, officer or other employee (other than with respect to newly hired employees in accordance with past practices);

establish, adopt, enter into or amend any collective bargaining agreement or benefit arrangement for the benefit of any director, officer, consultant or employee (except to the extent required by applicable law);

take any affirmative action to amend or waive any performance or vesting criteria or accelerate vesting, exercisability or funding under any benefit arrangement or option;

make any material change in accounting policies or procedures other than in the ordinary course of business consistent with past practice or except as required by GAAP or by a governmental authority;

make any material tax election or settle or compromise any material liability for taxes, except in the ordinary course of business consistent with past practice, or change any annual tax accounting period or method of tax accounting;

modify, terminate or waive, release or assign any material rights or claims with respect to any confidentiality or standstill agreement which relates to a business combination involving such party;

write up, write down or write off the book value of any assets for such party and its subsidiaries, other than in the ordinary course of business, as required by GAAP, or not otherwise in excess of $100,000 in the aggregate;

take any action to render inapplicable or exempt any third party from the provisions of Delaware law or any other state takeover law or state law that limits business combinations or the ability to acquire or vote shares of capital stock;

acquire, or agree to acquire, any operation or business, or engage in, or agree to engage in, any merger, consolidation or other business combination;

take any action that is intended or would reasonably be expected to result in any of the conditions to the merger not being satisfied;

take any action that is reasonably likely to cause a delay in filing or effectiveness of the registration statement or the convening of stockholder meetings; or authorize or enter into any agreement or otherwise make any commitment to do any of the foregoing.

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Prohibition from Soliciting Other Proposals

Alternative Transactions. The merger agreement contains detailed provisions prohibiting each of Viisage and Identix from seeking an alternative transaction to the merger. Under these no solicitation provisions, Viisage and Identix have agreed that neither of them may, subject to specific exceptions described below, directly or indirectly:

- solicit, initiate or encourage any inquiry with respect to any alternative transaction proposal (as described below);
- participate in any discussions or negotiations with any third party regarding, or furnish any information with respect to, any alternative transaction proposal;
- approve, endorse or recommend any alternative transaction proposal; or
- enter into any letter of intent or any contract agreement or commitment contemplating or otherwise relating to any alternative transaction proposal.

For purposes of the merger agreement, an alternative transaction proposal is any offer, inquiry or proposal with respect to Viisage or Identix relating to any of the following:

- the acquisition by a third party or group of more than a 20% interest in the total outstanding voting securities of the party;
- any tender offer or exchange offer that would result in a third party or group beneficially owning securities representing 20% or more of the total outstanding voting power of the party;
- merger, consolidation, business combination, share exchange or similar transaction involving the party pursuant to which the stockholders of the party immediately preceding such transaction hold securities representing less than 80% of the total outstanding voting power of the surviving or resulting entity of such transaction (or parent entity of such surviving or resulting entity);
- any sale, lease, exchange, transfer, license or disposition of assets (including capital stock or other ownership interests in subsidiaries) representing 20% or more of the aggregate fair market value of the consolidated assets of the party and its subsidiaries; or
- any liquidation or dissolution of the party.

Under the merger agreement, each of Viisage and Identix agreed to cease, as of January 11, 2006, all existing activities, discussions or negotiations with any third parties conducted prior to that date with respect to any alternative transaction proposal.

Notification. Each of Viisage and Identix must promptly notify the other upon receipt of any alternative transaction proposal or any related request for nonpublic information or inquiry of the material terms and conditions of the proposal, request or inquiry, the identity of the person or group making the proposal, request or inquiry, and all related written materials provided in connection with the proposal, request or inquiry. The party receiving the proposal, request or inquiry, must keep the other party informed in all material respects of the status and details of the proposal, request or inquiry, and all written materials subsequently provided in connection with the proposal, request or inquiry. Viisage and Identix also agreed to generally provide the other party with 48 hours prior notice of any meeting of its board of directors at which its board of directors is reasonably expected to consider any alternative transaction proposal.

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Superior Proposals. If either Viisage or Identix receives an unsolicited bona fide written alternative transaction proposal that is determined to be or reasonably likely to result in, a superior proposal (as described below), then the party may furnish nonpublic information to and engage in negotiations with the third party making the alternative transaction proposal, as long as the Viisage or Identix board of directors (as applicable):

concludes in good faith, after consultation with outside legal counsel, that failure to do so would be inconsistent with its fiduciary duties under applicable law;

has given the other party two business days prior notice of its intention to take such actions and the identity of the third party and material terms and conditions of the alternative transaction proposal; and

has not materially breached any of its obligations described in this section.

For purposes of the merger agreement, a superior proposal is an alternative transaction proposal (substituting 50% for each reference to 20% or 80% described above) which the board of directors has in good faith determined (after consultation with its outside legal counsel and its financial advisor), taking into account all legal, financial, regulatory, timing and other aspects of the proposal and the third party making the proposal:

is more favorable, from a financial point of view, to such party s stockholders (in their capacities as stockholders) than the terms of the merger agreement (after giving effect to any adjustments to the terms of the merger proposed by the other party in response to such alternative transaction proposal);

is fully financed or reasonably capable of being fully financed; and

is reasonably likely to be consummated on the terms proposed.

In the event that either Viisage or Identix furnishes nonpublic information to a third party making an alternative transaction proposal, it is required to give the other party a copy of the information furnished to the third party. The third party must also enter into a confidentiality agreement on terms that are at least as restrictive as the terms contained in the confidentiality agreement entered into between Viisage and Identix.

Change of Recommendation. Solely in response to the receipt of a superior proposal, the board of directors of Identix or Viisage may withhold, withdraw, amend, qualify or modify its recommendation in favor of, in the case of Identix, adoption of the merger agreement, and in the case of Viisage, approval of the issuance and reservation for issuance of Viisage common stock pursuant to the merger agreement and the charter amendments, if all of the following conditions are met:

the superior proposal has not been withdrawn and continues to be a superior proposal;

the stockholder vote at the Identix stockholders meeting or Viisage stockholders meeting, as applicable, has not occurred; and

Identix or Viisage, as applicable, has:

- provided to the other party three business days prior written notice stating expressly (1) that it has received a superior proposal, (2) the material terms and conditions of the superior proposal and the identity of the third party making the superior proposal, and (3) that it intends to withhold, withdraw, amend, qualify or modify its recommendation; and

- if requested by the other party, engaged in good faith negotiations to amend the merger agreement in such a manner that the alternative transaction proposal no longer is a superior proposal;

- the board of directors of Identix or Viisage, as applicable, has determined in good faith, after consultation with its outside legal counsel, that, in light of such superior proposal, the failure to withhold, withdraw, amend, qualify or modify its recommendation would be inconsistent with its fiduciary duties under applicable law; and

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Viisage or Identix, as applicable, has complied with its obligations described under the subsection The Merger Agreement Prohibition from Soliciting Other Proposals Superior Proposals and has not breached in any material respect any of the other provisions described under this section Prohibition from Soliciting Other Proposals.

Tender Offer Rules. The merger agreement permits each of Viisage and Identix and their respective boards of directors to comply with Rule 14d-9 and Rule 14e-2 under the Securities Exchange Act of 1934, as amended; provided, however, that neither party shall effect, or disclose pursuant to such rules or otherwise a position which would constitute a change of recommendation unless specially allowed under this subsection.

Stockholder Meetings

Both Viisage and Identix have agreed, as promptly as practical after the registration statement is deemed effective under the Securities Act, to give notice of, convene and hold stockholder meetings for their respective stockholders. Both parties will use reasonable best efforts to solicit from stockholders proxies in favor of, in the case of Identix, the adoption of the merger agreement, and, in the case of Viisage, the issuance and reservation for issuance of Viisage common stock pursuant to the merger agreement and the charter amendments. These meetings may be postponed or adjourned to the extent necessary to ensure that any necessary supplement or amendment to this joint proxy statement/prospectus is provided to stockholders in advance of a vote or if there are insufficient shares of Identix common stock or Viisage common stock, as applicable, represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting. Both Identix and Viisage have agreed to submit the adoption of the merger agreement (in the case of Identix) and the issuance of common stock pursuant to the merger agreement and the charter amendment (in the case of Viisage) to their stockholders, regardless of any withholding, withdrawal, amendment, qualification or modification of recommendation by the board of directors of Identix or Viisage.

Governmental and Third Party Approvals

Each of Viisage and Identix agreed to use their reasonable best efforts to assist and cooperate with one another and to take all actions necessary to close the merger, including the following:

- obtaining necessary consents and approvals from governmental entities in connection with the merger, including making filings or submissions required under the HSR Act, by the Department of Justice and Federal Trade Commission, or other antitrust laws of any applicable jurisdiction;
- obtaining necessary consents, waivers or approvals from third parties;
- defending against any lawsuits or similar proceedings that challenge the merger agreement; and
- executing any other additional instruments necessary to complete the merger.

Except as prohibited or restricted by applicable law, each of Viisage and Identix generally agreed to work cooperatively in obtaining required consents and approvals from governmental entities including by doing the following:

notifying each other of communications from governmental entities relating to the merger;

permitting the other to review and discuss in advance proposed written or oral communications with governmental entities relating to the merger;

to the extent practical, not participating in any governmental meeting before consulting with the other and, to the extent permitted by the governmental authority, giving the other the opportunity to participate; and

providing the other with necessary information and offer reasonable assistance in connection with a filing or submission made with any governmental entity.

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State Takeover Statutes

Each of Viisage and Identix also agreed to take all reasonable action to ensure that no state anti-takeover laws apply to the merger agreement and if any become applicable, to ensure that the merger will be completed as promptly as practicable on the terms of the merger agreement.

Divestiture

Neither Viisage nor Identix will be required to hold separate or divest any of its assets or businesses or enter into any agreement or decree that would reasonably be expected to result in a material adverse effect on Viisage or Identix after the merger is complete, or that is not conditional on consummation of the merger.

Fees and Expenses

All fees and expenses incurred in connection with the merger agreement and the merger will be paid by the party incurring such expenses. All fees and expenses associated with the filing and printing of the registration statement and this joint proxy statement/prospectus will be borne equally by Viisage and Identix.

Equity Awards and Employee Benefits

For a period of not less than one year after the closing of the merger, Viisage has agreed to provide continuing Identix employees from and after the effective time of the merger with employee benefits (other than benefits under stock option plans and employee stock purchase plans) no less favorable in the aggregate than those currently provided to the employees of Identix. As promptly as reasonably practicable following the effective time, continuing Identix employees will be eligible to participate in Viisage s employee benefits plans and any plans of Identix that are continued past the effective time or assumed by Viisage.

Continuing Identix employees will receive credit for their service with Identix under Viisage s employee benefit plans and Viisage will waive eligibility requirements and or pre-existing condition limitations (to the extent required by law) under its welfare benefits plans and give effect to amounts previously paid in determining any deductible maximum out-of-pocket limitations (subject in each case to the terms and conditions of Viisage s plans).

Continuing Identix employees will be eligible to participate in the Viisage stock option plans and employee stock purchase plan pursuant to the terms of such plans. In addition, pursuant to the merger agreement, Viisage will determine, in good faith, whether to establish a special offering period running from the date of completion of the merger to the commencement of the next offering period under Viisage s employee stock purchase plan for continuing Identix employees.

Viisage Corporate Governance

On or prior to the effective time of the merger, the Viisage board of directors will cause the number of directors that will comprise the full board immediately following the effective time of the merger to be thirteen, nine of whom will be designated by Viisage and four of whom will be designated by Identix. As of the date of this joint proxy statement/prospectus, Viisage has identified Messrs. LaPenta, Nessen, Gelbard, Berube, Beck and Tenet and Ms. Mouchly-Weiss, current Viisage directors, to be appointed as directors of the combined company. Identix has identified Messrs. Cooper, Gudis and Lawler, current Identix directors, and Mr. Rose to be appointed as directors of the combined company.

Prior to closing, Viisage expects to appoint two additional directors prior to the closing of the merger. At closing, the entire thirteen member board will be reclassified and the Identix nominees will be Class III directors. In addition, Identix has the right to appoint a fifth director, who will be a Class I director, following the closing of the merger.

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On or prior to the effective time of the merger, Viisage s board of directors will take all actions necessary to appoint (i) four directors designated by Identix to the board of directors as a Class III director whose term of office shall expire in 2008, (ii) five directors designated by Viisage to the board of directors as a Class II director whose term of office shall expire in 2007, and (iii) four initial post closing directors designated by Viisage to be appointed to the board of directors as a Class I director whose term of office shall expire in 2006, in each case unless such nominee shall have resigned, retired or otherwise become unable to serve prior to the effective time.

Mr. LaPenta will be appointed as Chairman of the Board of the combined company. The audit committee of the combined company will be comprised of Mr. Nessen as chairman, Mr. Lawler as vice chairman and Mr. Gudis and Ms. Mouchly-Weiss as members. The compensation committee of the combined company will be comprised of Mr. Cooper as chairman and Messrs. Berube, Gudis, Tenet and Rose as members. The nominating and governance committee of the combined company will be comprised of Mr. Gelbard as chairman and Messrs. Lawler, Nessen and Rose and Ms. Mouchly-Weiss, as members.

Pursuant to the charter amendment proposals, the Viisage charter is proposed to be amended so that (i) any change in the size of the board of directors will require approval of at least two thirds of the entire Viisage board of directors and at least two thirds of the independent board members of Viisage, and (ii) Viisage will cause the nominating and governance committee of the board of directors of Viisage to have the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board, or to fill vacancies on the board or newly created directorships.

Each of Viisage and Identix agrees to cause each remaining director who is not named to the board of directors of the merged company to resign effective immediately prior to the effective time, and Viisage agrees to cause each member of its board of directors that is a Class III director to resign effective immediately prior to the effective time; provided that any such Class III director that is also an initial post-closing director will be reappointed to the board of directors of parent as a Class I or Class II director.

Representations and Warranties

The merger agreement contains substantially reciprocal representations and warranties made by Viisage, on the one hand, and Identix, on the other, relating to, among other things:

- corporate organization and similar corporate matters;
- existence, organization and obligations of subsidiaries;
- capital structure;
- corporate authorization to enter into and carry out the obligations under the merger agreement, the enforceability of the merger agreement;
- the absence of a need to obtain governmental consents, authorizations or filings in order to complete the merger;

the absence of any conflict with or violation of corporate charter documents, applicable law or contracts as a result of entering into and carrying out the obligations under the merger agreement;

filings and reports with the SEC and the accuracy of financial statements;

the absence of litigation;

compliance with applicable law and possession of necessary governmental permits;

valid ownership and possession of properties;

proper preparation and timely filing of tax returns and timely payment of taxes;

ownership of intellectual property and the absence of infringement of third party intellectual property rights;

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compliance with applicable laws and contracts relating to employee benefit plans and labor relations;

the absence of a material adverse effect and other changes since September 30, 2005;

disclosure of, and the absence of a default under, material contracts;

compliance with environmental laws;

disclosure of interested party transactions;

the inapplicability of state anti-takeover statutes and regulations to the merger and merger agreement;

disclosure of broker, investment banker or financial advisor fees; and

receipt of a fairness opinion from its financial advisor.

Conditions to Completion of the Merger

The parties may not complete the merger until each of the following conditions is satisfied or waived:

Viisage stockholder approval and Identix stockholder approval has been obtained;

no judgment, decree, law, regulation or other restraint shall have been enacted or issued by any court or other governmental authority which prohibits, makes illegal or enjoins the transactions contemplated by the merger agreement;

the registration statement shall have become effective under the Securities Act prior to the mailing of the proxy statement/prospectus, and no stop order or proceedings seeking a stop order shall have been initiated or threatened by the SEC;

the shares of Viisage common stock issuable to the stockholders of Identix or reserved for issuance upon the exercise of rights attached to assumed Identix options and warrants have been authorized for listing on the Nasdaq National Market; and

the certificate of amendment shall have become effective under Delaware law.

In addition, the obligation of each party to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

the truth and correctness of the representations and warranties of the other party, generally subject to any exceptions that do not have, and would not reasonably be expected to have, a material adverse effect on the other party and other specified exceptions concerning representations and warranties about the other party s capitalization;

the other party s performance or compliance in all material respects with all of its obligations and covenants required by the merger agreement;

receipt of an officer s certificate duly executed by each of the Chief Executive Officer and Chief Financial Officer of the other party to the effect that the preceding conditions have been satisfied;

receipt from its tax counsel of a written opinion to the effect that the merger will constitute a reorganization within the meaning of Section 368(a) of the Code; and

Identix obligation to complete the merger is conditioned on Viisage and L-1 Investment Partners, LLC entering into an agreement terminating all arrangements (other than those specifically identified in such agreement) whereby L-1 Investment Partners, LLC provides financial, advisory, administrative or other services to Viisage; and prohibiting L-1 Investment Partners, LLC from directly advising, performing services for, investing in or entering into any other agreement with any person that competes directly or indirectly with Viisage or Identix (other than with respect to investments of L-1 Investment Partners, LLC as specifically identified in such agreement) in a form satisfactory to Identix.

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For purposes of the merger agreement, the term material adverse effect means, with respect to either of Viisage or Identix, any change, event, circumstance or effect that is materially adverse to the financial condition, businesses, assets or results of operations of either Viisage or Identix and its subsidiaries taken as a whole, or would reasonably be expected to prevent the parties from consummating the merger. However, the following will not be taken into account in determining whether there has been or will be a material adverse effect:

changes in general economic or political conditions or the financing or capital market in general or affecting the industry in which the companies operate, except to the extent those changes have a materially disproportionate effect on either of Viisage or Identix and its subsidiaries relative to other similarly situated participants in the industry in which they operate;

changes in GAAP or requirements, changes in laws, rules, regulations or interpretations by any governmental entity, in each case, as applicable to either of Viisage or Identix;

the execution, delivery and performance of the merger agreement or the closing of any transaction contemplated by the merger agreement or the announcement of those transactions;

any natural disaster, sabotage, military action, acts of war or terrorism or any escalation or worsening thereof;

changes in the trading prices of either company s common stock; or

the failure by either of Viisage or Identix to meet revenue or earnings estimates.

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to completion of the merger by action of the board of directors of Viisage or Identix, as applicable, either before or after the requisite approvals of the stockholders of Viisage or Identix have been obtained under the following circumstances:

by mutual written consent of Viisage and Identix, as determined by the board of directors of each company;

by written consent of either Viisage or Identix (as authorized by the board of directors of Viisage or Identix, as applicable):

if the merger is not completed by September 1, 2006 (provided that the right to terminate the merger agreement for this reason will not be available to a party whose failure to comply with any provision of the merger agreement has been the cause of or resulted in the failure of the merger to be completed by September 1, 2006); or

if a governmental authority issues a final and nonappealable order, decree or ruling having the effect of permanently restraining, enjoining or otherwise prohibiting the merger (provided that the right to terminate the merger agreement for this reason will not be available to a party whose failure to comply with any provision of the merger agreement has been the cause of or resulted in such action); or by either party upon a breach by the other party of a representation, warranty or covenant if as a result of such breach the closing conditions regarding accuracy of such representations and warranties and compliance with such covenants would not be satisfied and such breach is incapable of being cured or has not been cured within 20 days after written notice.

The merger agreement may be terminated under the following circumstances only before the vote of the stockholders of Viisage or Identix has occurred:

by Identix if Viisage s board of directors has failed to include in the proxy statement/prospectus its recommendation in favor of Viisage s stock issuance and the charter amendments, effected a change of recommendation or approved or recommended any alternative transaction; or

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- by Viisage if Identix board of directors has failed to include in the proxy statement/prospectus its recommendation that the stockholders adopt and approve the merger agreement and the merger, effected a change of recommendation or approved or recommended any alternative transaction.

The merger agreement may be terminated under the following circumstances only after the stockholder meeting at which a vote was taken:

- if Viisage has failed to obtain the approval of its stockholders for the issuance and reservation for issuance of shares of common stock pursuant to the merger and the charter amendments; or
- if Identix has failed to obtain the approval of stockholders to adopt the merger agreement.

Termination Fee

If either Identix or Viisage terminates the merger agreement because:

- the board of directors of the other party failed to include in the proxy statement/prospectus its recommendation in favor of the merger agreement (in the case of Identix) or stock issuance and charter amendments (in the case of Viisage); or
- the board of directors of the other party effects a change of recommendation; or
- the board of directors of the other party approves or recommends an alternative transaction proposal;

then a termination fee of $20 million will be payable to the terminating party by the other party no later than ten business days after termination of the merger agreement.

Additionally, in the event that either Viisage or Identix terminates the merger agreement because either:

- the merger has not been consummated by September 1, 2006 (provided that the right to terminate the merger agreement for this reason will not be available to a party whose failure to comply with any provision of the merger agreement has been the cause of or resulted in the failure of the merger to be completed by September 1, 2006);
- its stockholders fail to adopt the merger agreement (in the case of Identix) or to approve the issuance and reservation of shares and amendment of the charter (in the case of Viisage) at the applicable special meeting;
- the stockholders of the other party fail to adopt the merger agreement (in the case of Identix) or to approve the issuance and reservation of shares and amendment of the charter (in the case of Viisage) at the applicable special meeting; or

the other party commits an intentional breach of its representations, warranties, or covenants that would result in the failure of the closing conditions relating to its representations, warranties and covenants to be satisfied, and fails to cure that breach within the specified period;

and it is the case that both:

prior to termination of the merger agreement, a proposal for an alternative transaction is publicly announced by a third party or otherwise made to a party; and

within twelve months of termination, such party closes or enters into an agreement for an alternative transaction with a third party;

then, subject to the specific terms of the merger agreement, a termination fee of $20 million will be payable by the party that closes or enters into an agreement for an alternative transaction with a third party.

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Amendments

The merger agreement may be amended by mutual written consent of Viisage and Identix subject to all applicable laws. Any amendment proposed after obtaining the required approvals of the stockholders of Viisage and Identix may not be made without the further approval of those stockholders as required by applicable law.

At any time prior to completion of the merger, either Viisage or Identix may extend the other s time for the performance of any of the obligations or other acts under the merger agreement, waive any inaccuracies in the other s representations and warranties and waive compliance by the other with any of the agreements or conditions contained in the merger agreement.

Other Agreements

Voting Agreement. Pursuant to the merger agreement, Viisage and Identix delivered voting agreements signed by certain stockholders of the respective companies.

Viisage has entered into voting agreements with certain directors and officers of Identix who beneficially hold in the aggregate approximately 4.8% of Identix outstanding common stock, pursuant to which the Identix stockholders have agreed to vote their shares of Identix common stock in favor of the approval and adoption of the merger agreement and the merger. However, in the event the Identix board of directors changes its recommendation to the stockholders to adopt the merger agreement, such obligation to vote shall relate to 50% of the shares subject to the Identix voting agreements.

Each member of the Viisage board of directors, each of the executive officers of Viisage and certain principal stockholders (Lau, Aston and L-1, which are affiliates of certain board members) who together beneficially hold approximately 45.8% of the Viisage common stock outstanding, have entered into voting agreements with Identix, in which they have agreed, in their capacities as stockholders of Viisage, to vote in favor of Proposals 1 and 2A-2E described in this joint proxy statement/prospectus and have granted Identix an irrevocable proxy with respect to such matters. However, in the event the Viisage board of directors changes its recommendation to the stockholders to approve the issuance of Viisage common stock pursuant to the merger and the charter amendments, such obligation to vote shall relate to 50% of the shares subject to the Viisage voting agreements.

Name Change. Viisage and Identix have agreed to include in the charter amendment proposal a provision to change the name of Viisage to L-1 Identity Solutions, Inc.

Consulting Agreement. Pursuant to a consulting agreement to be entered into between L-1 and Viisage, L-1 will receive a one-time fee of $2.5 million simultaneously with the closing of the merger as consideration for professional services provided by L-1 in connection with the acquisition of SecuriMetrics and other transactions, including, without limitation, assisting Viisage in (1) analyzing the operations and historical performance of target companies; (2) analyzing and evaluating the transactions with such target companies; (3) financial, business and operational due diligence; and (4) evaluating related structuring and other matters. Except as described in this joint proxy statement/prospectus, no other fees are payable to L-1, its employees or its affiliates retroactively, currently or in the future.

Non-competition agreement: As a condition to the closing of the merger, Viisage and L-1 will enter into a termination and noncompete agreement in form and substance satisfactory to Viisage and Identix which among other things, (1) terminates all arrangements (other than those specifically identified in such agreement) whereby L-1 and its affiliates provide financial, advisory, administrative or other services to us or our affiliates, and (2) prohibits L-1 and its affiliates from directly advising, performing services for, investing in or entering into any other agreement with any person that competes directly or indirectly with us or Identix, which includes without limitation in the world-wide biometric, credentialing and ID management business (other than with respect to investments of L-1 and its affiliates specifically identified in such agreement).

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Sale of AFIX Technologies. Aston and Viisage have reached an agreement in principle whereby Aston has agreed to sell AFIX Technologies, Inc., a portfolio company of Aston which provides fingerprint and palmprint identification software to local law enforcement agencies, to the combined entity at fair market value, which will be determined by an independent appraiser. At the time of this joint proxy statement/prospectus, no other terms of this potential sale have been agreed to and it is subject to the negotiation, execution and delivery of a definitive acquisition agreement mutually acceptable to the parties.

Sublease. In connection with the relocation of the corporate headquarters of Viisage to the present offices of L-1 in Stamford, Connecticut, Viisage will enter into a sublease with L-1, pursuant to which the combined company will pay the rent and other costs payable by L-1 from the effective time of the merger until the earlier of (i) the expiration or termination of the lease or (ii) unless otherwise mutually agreed to Viisage and L-1, as promptly as practicable but in no event later than 60 days following the date upon which Mr. LaPenta ceases to be Chief Executive Officer of the combined company for any reason. Viisage estimates the costs related to the sublease to be approximately $720,000 per year.

Engagement of Bear Stearns. In connection with the merger, Viisage entered into an arms-length agreement with Bear Stearns, pursuant to which Bear Stearns provided financial advisory services related to the merger. The spouse of Ms. Fordyce is a partner and senior investment banker at Bear Stearns involved with the Viisage engagement and certain employees of Bear Stearns have substantial personal investments in L-1.

Pursuant to the agreement, Bear Stearns is entitled to a fee of $2.5 million upon the closing of the merger, plus expense reimbursement, as well as exclusive rights to act as underwriter, placement agent and/or financial advisor to Viisage with respect to certain financings and other corporate transactions in the future.

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VIISAGE PROPOSALS NO. 2A-2E

AMENDMENTS TO THE VIISAGE CERTIFICATE OF INCORPORATION

On January 11, 2006, the Viisage board of directors adopted, subject to stockholder approval, amendments to the Viisage certificate of incorporation, which amendments are described in Proposals 2A through 2E below. While these proposals are being voted upon separately, each of Proposals No. 1 and 2A-2E must be approved in order for any of them to be implemented. The proposed amendments to the Viisage certificate of incorporation are set forth in Annex D attached to this joint proxy statement/prospectus.

Proposal No. 2A: Proposal to Increase the Authorized Number of Shares of Common Stock

The board of directors of Viisage approved an amendment to Viisage s Certificate of Incorporation, as amended, subject to stockholder approval, to increase the authorized number of shares of common stock of Viisage from 75,000,000 shares, $0.001 par value per share, to 125,000,000 shares, $0.001 par value per share, and correspondingly change Viisage s total number of authorized shares of capital stock from 77,000,000 shares to 127,000,000 shares. The authorized number of shares of preferred stock will remain unchanged at 2,000,000 shares. If the stockholders approve the proposed amendment, Viisage will file with the Delaware Secretary of State a certificate of amendment reflecting the increase in the authorized number of shares of common stock. On January 11, 2006, 28,915,415 shares of Viisage common stock and options to purchase an aggregate of an additional 2,552,884 shares of Viisage common stock were issued and outstanding. As of January 11, 2006, an aggregate of 2,210,794 shares of Viisage common stock were reserved for future grants under Viisage s existing equity incentive plans and employee stock purchase plan. An aggregate of 2,070,000 shares of Viisage common stock were subject to issuance pursuant to outstanding warrants of Viisage and 20,715 shares of Viisage common stock were subject to issuance pursuant to outstanding restricted stock units as of January 11, 2006. No shares of preferred stock are issued or outstanding.

The Viisage board of directors believes that authorizing additional shares of common stock is required to enable Viisage to have sufficient shares of common stock authorized for issuance in the Identix merger and upon the exercise of options, warrants and other exchangeable or convertible securities whether currently outstanding or issued in the future. The Viisage board also believes that authorizing additional shares of common stock is essential to provide Viisage with the flexibility it needs to meet business needs and to take advantage of opportunities as they arise. The proposed increase in the number of authorized shares of common stock would also result in additional shares being available for stock dividends, stock issuances for other corporate purposes, such as acquisitions of businesses or assets, increases in shares reserved for issuance pursuant to employee benefit plans, and sales of stock or convertible securities for capital raising purposes. Aside from the Identix merger or as otherwise discussed in this joint proxy statement/prospectus, Viisage currently has no specific plans, arrangements or understandings with respect to the issuance of these additional shares.

If Viisage s stockholders approve the proposed amendment to the certificate of incorporation to increase the authorized shares of common stock, the board of directors may cause the issuance of additional shares of common stock without further stockholder approval, unless stockholder approval is otherwise required by law or the rules of any securities exchange on which the common stock is then listed. The additional shares would have rights identical to the currently outstanding common stock and no other change in the rights of stockholders is proposed. Current holders of common stock have no preemptive or similar rights, which means that they do not have a prior right to purchase any new issue of common stock in order to maintain their proportionate ownership thereof. The issuance of additional shares of common stock could decrease the proportionate equity interest and voting power of Viisage s current stockholders and, depending on the price paid for the additional shares, could result in dilution in the book value of shares held by the current stockholders.

The proposed amendment could have an anti-takeover effect, although that is not Viisage s intention. For example, it may be possible for the board of directors to delay or impede a takeover or transfer of control of Viisage by causing additional authorized shares to be issued to holders who might side with the board in

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opposing a takeover bid. The amendment, therefore, may have the effect of discouraging unsolicited takeover attempts. By potentially discouraging the initiation of takeover attempts, the proposed amendments may limit the opportunity of stockholders to dispose of their shares at the higher price generally available in takeover attempts or that may be available under a merger proposal. However, the Viisage board is not aware of any attempt or proposal to take over or transfer control of Viisage, and Viisage is not proposing the amendments with the intent that they be used as a type of anti-takeover device.

Viisage s certificate of incorporation currently does not authorize a sufficient number of shares of common stock to complete the merger. Viisage is currently authorized to issue 75 million shares of common stock and 2 million shares of preferred stock. As of June 30, 2006, approximately 29.1 million shares of Viisage common stock were issued and outstanding. Under the terms of the merger agreement, Viisage must issue approximately 42.5 million shares (representing 0.473 shares of common stock for each share of Identix common stock including shares issuable on exercise of Identix options and shares issuable on exercise of Identix warrants to be assumed by Viisage) of common stock in the merger, which would result in approximately 71 million shares of Viisage common stock outstanding. Viisage believes that authorizing additional shares of common stock is required to enable Viisage to have sufficient shares of common stock authorized for issuance in the merger, pursuant to the 2006 Employee Stock Purchase Plan and upon the exercise of options, warrants and other exchangeable or convertible securities, whether currently outstanding or issued in the future. Viisage also believes that authorizing additional shares of common stock is essential to provide Viisage with the flexibility it needs to meet business needs and take advantage of opportunities as they arise.

The affirmative vote of holders of a majority of the outstanding shares of Viisage common stock is required to approve Proposal 2A.

The Viisage board of directors recommends a vote FOR Proposal No. 2A to amend the certificate of incorporation to increase the authorized number of shares of common stock of Viisage, with a corresponding increase in the total number of shares of capital stock of Viisage.

Proposal No. 2B: Proposal to Change the Name of Viisage

The board of directors of Viisage approved an amendment to Viisage s Certificate of Incorporation, as amended, subject to stockholder approval, to change the name of the combined company upon completion of the merger transaction from Viisage Technology, Inc. to L-1 Identity Solutions, Inc. If the stockholders approve the proposed amendment, Viisage will file with the Delaware Secretary of State a certificate of amendment reflecting the name change.

The Viisage board of directors believes that the name of the combined company should reflect the strategic direction of the combined company and that the proposed new name properly reflects the combined company s strategic direction.

If Viisage s stockholders approve the proposed amendment to the certificate of incorporation to change the name of Viisage, the board of directors may effectuate the name change without further stockholder approval, unless such further stockholder approval is otherwise required by law or the rules of any securities exchange on which the common stock is then listed.

The affirmative vote of holders of a majority of the outstanding shares of Viisage common stock is required to approve Proposal 2B.

The Viisage board of directors recommends a vote FOR Proposal No. 2B to amend the certificate of incorporation to change the name of Viisage.

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Proposal No. 2C: Proposal to Grant Full and Exclusive Power and Authority Otherwise Conferred to the Viisage Board of Directors to the Nominating and Governance Committee of the Board of Directors

The board of directors of Viisage approved an amendment to Viisage s Certificate of Incorporation, as amended, subject to stockholder approval, to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board (including potential candidates proposed by the chairman, other members of the board and stockholders for evaluation and potential nomination by the nominating and governance committee), or to fill vacancies on the board or newly created directorships, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment. The proposed amendment requires the board of directors to maintain a nominating and governance committee that would act in accordance with a committee charter to be adopted by the board of directors. Viisage s existing certificate of incorporation does not contain similar provisions. If the stockholders approve the proposed amendment, Viisage will file with the Delaware Secretary of State a certificate of amendment requiring the board of directors to maintain a nominating and governance committee and reflecting the power and authority described herein.

The Viisage board of directors believes that granting the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board, or to fill vacancies on the board or newly created directorships, will enhance the efficiency of the process by which candidates are nominated or appointed to the board of directors. As part of its director selection process, the nominating and governance committee considers candidates from many sources, including nominees proposed by the chairman or other members of the board, as well as those proposed by the stockholders provided that the procedures for stockholder proposals set forth in the company s by-laws are followed. The members of the nominating and governance committee and the chair of the committee are appointed by the board of directors and may be removed by the board in its discretion. This provision will not eliminate the right of Viisage stockholders to nominate persons for election to the Viisage board of directors. Further, pursuant to the merger agreement amendment, the members of the board of directors who were appointed by Identix Incorporated pursuant to the merger agreement have the right to appoint an additional member to the board of directors for the class of directors with a term expiring in 2008.

If Viisage s stockholders approve the proposed amendment to the certificate of incorporation to grant the full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee as described above, the board of directors may cause the committee to be granted the described power and authority without further stockholder approval, unless such further stockholder approval is otherwise required by law or the rules of any securities exchange on which the common stock is then listed.

The affirmative vote of holders of two thirds of the outstanding shares of Viisage common stock is required to approve Proposal 2C.

The Viisage board of directors recommends a vote FOR Proposal No. 2C to amend the certificate of incorporation to grant full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee of the board of directors.

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Proposal No. 2D: Proposal to Require Approval of Two Thirds of the Entire Board of Directors and Independent Directors to Change the Size of the Board of Directors

The board of directors of Viisage approved amendments to Viisage s Certificate of Incorporation, as amended, subject to stockholder approval, to require approval of two thirds of the entire board of directors and independent directors to change the size of the Viisage board of directors, subject to the right of certain directors to appoint one additional director as set forth in the merger agreement amendment. The amendments provide that the size of the Viisage board of directors shall be determined by resolution of the Viisage board of directors and such resolution shall be approved by at least two thirds of the authorized number of directors (including vacancies) and two thirds of the independent members of the Viisage board of directors. The amendments will define an independent director as any director who is independent of the management of Viisage and is free from any interest and any business or other relationship (other than interests or relationships arising from ownership of shares of Viisage stock) which could, or could reasonably be perceived to, materially interfere with the director s ability to act with a view to the best interests of Viisage. The Viisage board of directors will initially have thirteen members. Further, pursuant to the merger agreement amendment, the members of the board of directors who were appointed by Identix Incorporated pursuant to the merger agreement have the right to appoint an additional member to the board of directors for the class of directors with a term expiring in 2008. The existing Viisage certificate of incorporation provides that the number of directors shall be fixed by a resolution adopted by the majority of the directors then in office.

If the stockholders approve the proposed amendments, Viisage will file with the Delaware Secretary of State a certificate of amendment reflecting the requirements for changing the size of the board of directors.

The Viisage board of directors believes that the requirements for changing the size of the board of directors will provide proportionate representation for Viisage and Identix on the Viisage board of directors.

If Viisage s stockholders approve the proposed amendments to the certificate of incorporation to require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors, the board of directors may establish such procedures without further stockholder approval, unless such further stockholder approval is otherwise required by law or the rules of any securities exchange on which the common stock is then listed.

The affirmative vote of holders of two thirds of the outstanding shares of Viisage common stock is required to approve Proposal 2D.

The Viisage board of directors recommends a vote FOR Proposal No. 2D to amend the certificate of incorporation to require approval of two thirds of the entire board of directors and independent directors to change the size of the board of directors.

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Proposal No. 2E: Proposal to Provide for the Approval of Two Thirds of the Entire Board of Directors and Independent Directors for Specified Actions

The board of directors of Viisage approved an amendment to Viisage s Certificate of Incorporation, as amended, subject to stockholder approval, to provide that the following actions cannot be taken by Viisage, except with the vote of at least two thirds of the authorized number of directors (including vacancies) and two thirds of the independent members of the Viisage board of directors:

- any amendment to the provision requiring that the size of the Viisage board of directors shall be determined by resolution of the Viisage board of directors and such resolution shall be approved by at least two thirds of the authorized number of directors (including vacancies) and two thirds of the independent members of the Viisage board of directors; and

- any amendment to the provision granting full and exclusive power and authority otherwise conferred to the board of directors to the nominating and governance committee to evaluate and nominate candidates for the board, or to fill vacancies on the board or newly created directorships.

The existing Viisage certificate of incorporation provides that the number of directors shall be fixed by a resolution adopted by the majority of the directors then in office. There currently is no provision in the existing certificate of incorporation relating to the power and authority of the nominating and governance committee. Amendments to the current Viisage certificate of incorporation to be first approved by the board of directors pursuant to a resolution adopted by the affirmative vote of a majority of the directors then in office. If the stockholders approve the proposed amendment, Viisage will file with the Delaware Secretary of State a certificate of amendment reflecting the requirement that specified actions require approval of two thirds of the entire board and two thirds of the independent directors.

The Viisage board of directors believes that the approval of two thirds of the entire board and independent directors will maintain the proportionate representation of Viisage and Identix on the board of directors and allow the board of directors to function in a more efficient manner.

If Viisage s stockholders approve the proposed amendment to the certificate of incorporation to provide for the approval of two thirds of the entire board and independent directors for specified actions, as described above, the board of directors may cause such approval to be required without further stockholder approval, unless such further stockholder approval is otherwise required by law or the rules of any securities exchange on which the common stock is then listed.

The affirmative vote of holders of two thirds of the outstanding shares of Viisage common stock is required to approve Proposal 2E.

The Viisage board of directors recommends a vote FOR Proposal No. 2E to amend the certificate of incorporation to provide for the approval of two thirds of the entire board of directors and independent directors for specified actions.

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VIISAGE PROPOSAL NO. 3

POSSIBLE ADJOURNMENT OF THE SPECIAL MEETING

If Viisage fails to receive a sufficient number of votes to approve any of Proposal No. 1 or Proposals No. 2A-2E, Viisage may propose to adjourn the special meeting, for a period of not more than 30 days for the purpose of soliciting additional proxies to approve any proposal that fails to receive a sufficient number of votes. Viisage currently does not intend to propose adjournment at the special meeting if there are sufficient votes to approve Proposal No. 1 and Proposals No. 2A-2E. If approval of the proposal to adjourn the Viisage special meeting for the purpose of soliciting additional proxies is submitted to stockholders for approval, such approval requires the affirmative vote of a majority of the votes cast at the special meeting by holders of shares of common stock present or represented by proxy and voting on the matter.

The Viisage board of directors recommends that Viisage s stockholders vote FOR Proposal No. 3 to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1 and Proposals No. 2A-2E.

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VIISAGE PROPOSAL NO. 4

ELECTION OF DIRECTORS

Viisage proposes to elect four Class I directors. Directors are elected by a plurality vote, which means that the four nominees receiving the most votes will be elected.

General

Pursuant to Viisage s certificate of incorporation as proposed to be amended and by-laws, the board of directors has fixed the number of directors at thirteen. In addition, Identix appointed directors may appoint an additional director following the consummation of the merger. The certificate of incorporation also provides that directors shall be divided into three classes of approximately the same number of directors. In connection with the merger and as required by the merger agreement, the combined company expects to increase the size of its board of directors to thirteen; the board of directors will correspondingly fix the number of Class I directors at four, Class II directors at five and Class III directors at four.

Four Class I directors are to be elected at the special meeting to serve three-year terms expiring at the 2009 Annual Meeting of Shareholders and until their successors have been elected and duly qualified. Unless instructed otherwise, the proxy holders will vote the proxies received by them for Viisage s nominees: Denis K. Berube, B.G. Beck, Charles E. Levine and George J. Tenet. In the event that the nominees of Viisage are unable or decline to serve as directors at the time of the special meeting, the proxies will be voted for any nominee who shall be designated by the present board of directors to fill the vacancy (unless another nominee is indicated in any particular proxy), or Viisage may choose to leave the seat vacant. Messrs. Berube, Beck, Levine and Tenet have consented to serve as directors of Viisage, and the board of directors has no reason to believe that they will be unavailable for service.

The board recommends a vote **FOR** Denis K. Berube, B.G. Beck, Charles E. Levine and George J. Tenet, the proposed nominees for election to Class I of the Viisage board of directors.

Composition of the Board

Viisage s certificate of incorporation provides that directors shall be divided into three classes and that each director shall serve for a term of three years and until his or her successor is elected and qualified or until his or her earlier resignation, death, or removal. One class of directors is elected at each annual meeting for a three-year term.

The current Class III directors (whose terms expire in 2008) are Peter Nessen, Thomas J. Reilly and Robert Gelbard. The current Class II directors (whose terms expire in 2007) are Bernard C. Bailey, Harriet Mouchly-Weiss, Paul T. Principato and Robert V. LaPenta. There are no family relationships between any of the directors or executive officers of Viisage.

The following sets forth the names of and certain information about the persons nominated as directors and the directors whose terms do not expire at the special meeting. Information regarding their beneficial ownership of shares of Viisage s Common Stock is reported in the section entitled Information Regarding Viisage Directors and Certain Executive Officers on page 202.

Nominees for Class I Directors

Denis K. Berube, 63, is a director of Viisage and served as the Chairman of the board of directors of Viisage from Viisage s incorporation in 1996 until December 2005. Mr. Berube is Executive Vice President and Chief Operating Officer of Lau Technologies (referred to as Lau). Lau is one of the largest holders of Viisage Common Stock, directly owning approximately 7.4% of its issued and outstanding Common Stock. Mr. Berube has been employed at Lau since 1990.

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B. G. Beck, 69, has served as a director of Viisage since 2004. Mr. Beck was the President and Chief Executive Officer of Trans Digital Technologies Corporation from 1998 until its acquisition by Viisage in February 2004. Mr. Beck currently serves as a member of the Board of Directors of Cardinal Financial Corporation, a provider of comprehensive individual and corporate banking services.

Charles E. Levine, 53, has served as a director of Viisage since 1998. Mr. Levine retired in September 2002 from his position as President of Sprint PCS, a position he had held since January 1997. Before joining Sprint PCS, Mr. Levine served as Senior Vice President of Octel Services, a provider of voice systems services, from October 1994 through September 1996. Mr. Levin currently also serves as a member of the Board of Directors of @Road, Inc., a wireless applications provider, Sierra Wireless, Inc., a provider of a broad range of wireless products, including data modems, embedded modules and mobile phones, Somera Communications, a provider of telecommunications operators with equipment and deployment services, and Lexar Media, Inc., a provider of digital media such as compact flash and other flash memory products.

George J. Tenet, 53, was appointed a director of Viisage in December 2005. Mr. Tenet has been Distinguished Professor in the Practice of Diplomacy, at the Georgetown University School of Foreign Service since October 2004. From July 1997 to July 2004, Mr. Tenet was the Director of Central Intelligence. Mr. Tenet served as the Deputy Director of Central Intelligence from July 1995 until July 1997. Prior to that, he served as the special assistant to the President and senior director for intelligence programs on the National Security Council from 1993 to 1995, and director, oversight of arms control negotiations between the Soviet Union and the United States, then staff director of the Senate Select Committee on Intelligence from 1986 to 1993. From 1982 to 1985, Mr. Tenet was the legislative assistant and legislative director for Senator John Heinz.

Directors Whose Terms Expire at the 2007 Annual Meeting (Class II Directors)

Robert V. LaPenta, 59, has served as the Chairman of the board of directors of Viisage since December 2005. Mr. LaPenta is the founder and Chief Executive Officer of L-1 Investment Partners, LLC, a private investment management firm. L-1 was founded in June 2005 to acquire or make significant investments in well-positioned public and private companies, with the objective of building these companies into industry leaders through collaborative development and execution of aggressive growth strategies. From April 1997 to April 2005, Mr. LaPenta served as President, Chief Financial Officer and a Director of L-3 Communications Holdings, Inc., which he co-founded in April 1997. From April 1996, when Loral Corporation was acquired by Lockheed Martin Corporation, until April 1997, Mr. LaPenta was a Vice President of Lockheed Martin and was Vice President and Chief Financial Officer of Lockheed Martin s Command, Control, Communications and Intelligence and Systems Integration Sector. Prior to the April 1996 acquisition of Loral, he was Loral s Senior Vice President and Controller, a position he held since 1981. He joined Loral in 1972 and was named Vice President and Controller of its largest division in 1974. He became Corporate Controller in 1978 and was named Vice President in 1979. Mr. LaPenta is on the Board of Trustees of Iona College, the board of trustees of The American College of Greece and the board of directors of Core Software Technologies and the board of directors of Leap Wireless International, Inc.

Bernard C. Bailey, 52, joined Viisage in August 2002 as Chief Executive Officer. From January 2001 through August 2002, Mr. Bailey served as the Chief Operating Officer of Art Technology Group. Between April 1984 and January 2001, Mr. Bailey served in various capacities at IBM Corporation, including several executive positions. A graduate of the US Naval Academy, Mr. Bailey served for eight years as an officer in the US Navy.

Harriet Mouchly-Weiss, 63, has served as a director of Viisage since its incorporation in May 1996. Ms. Mouchly-Weiss founded Strategy XXI Group, an international communications and consulting firm, in January 1993 and has served as its managing partner since that time. Ms. Mouchly-Weiss currently also serves as a member of the board of directors of American Greetings Corporation, a company engaged in the design, manufacture and sale of everyday and seasonal greeting cards and other social expression products.

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Paul T. Principato, 52, has served as a director of Viisage since May 2001 and as Chief Financial Officer of Lau since its incorporation in March 1990. Prior to 1990, Mr. Principato served as Controller at Barry Wright Corp.

Directors Whose Terms Expire at the 2008 Annual Meeting (Class III Directors)

Peter Nessen, 70, has served as a director of Viisage since its incorporation in May 1996. Since July 2003, Mr. Nessen has served as the President of Nessen Associates Ltd., a non-profit consulting company. From January 2003 to July 2003, Mr. Nessen served as an adviser to the Governor of the Commonwealth of Massachusetts on education matters. Mr. Nessen has been Chairman of the Board of NCN Financial, a private banking firm, since January 1995. From June 1993 through December 1994, Mr. Nessen was Dean for Resources and Special Projects at Harvard Medical School.

Thomas J. Reilly, 67, has served as a director of Viisage since its incorporation in May 1996. Mr. Reilly has been a self-employed financial consultant since December 1994. From June 1966 through November 1994, Mr. Reilly was with Arthur Andersen LLP, a public accounting firm, where he became a partner in 1975.

Robert Gelbard, 62, was appointed a director of Viisage in September 2005. Ambassador Gelbard has been Chairman of Washington Global Partners, LLC, an international business consulting firm, since April 2005. Prior to that, he was a self-employed international business consultant beginning in October 2002. From March 2002 to September 2002, he was Senior Vice President of International Affairs and Government Relations for ICN Pharmaceuticals, Inc., a global pharmaceuticals company. From February 1967 to January 2002, Ambassador Gelbard held various senior level positions in the U.S. Department of State, including serving as Ambassador to Indonesia from 1999-2001, President Clinton s Special Representative for the Balkans from 1997-1999, Assistant Secretary of State from 1993-1997, and Ambassador to Bolivia from 1988-1991. In 2002, Ambassador Gelbard received the Distinguished Service Award, the State Department s highest commendation, which was conferred by Secretary of State Colin Powell.

Composition of the Board Post-Merger

Following the special meeting and the closing of the merger, the Viisage board will initially consist of thirteen members, nine of whom will be designated by Viisage and four of whom will be designated by Identix. The board shall consist of (i) four directors designated by Identix as Class III directors whose term of office shall expire in 2008, unless in each case such nominee shall have resigned, retired or otherwise become unable to serve prior to the effective date of the merger, (ii) five directors designated by Viisage as Class II directors whose term of office shall expire in 2007, unless in each case such nominee shall have resigned, retired or otherwise become unable to serve prior to the effective date of the merger, and (iii) four directors designated by Viisage as Class I directors whose term of office shall expire in 2009, and who shall be automatically nominated to the board at the end of his term, unless in each case such nominee shall have resigned, retired or otherwise become unable to serve prior to the effective date of the merger. In order to so constitute the board, all current Viisage directors, including the directors elected to the board of directors at the special meeting, not designated by Viisage to continue on the board post-merger will resign immediately prior to the effective time of the merger. Such directors include Messrs. Levine, Reilly, Principato and Bailey.

As of the date of this joint proxy statement/prospectus, Viisage has identified Messrs. LaPenta, Nessen, Gelbard, Berube, Beck and Tenet and Ms. Mouchly-Weiss, current Viisage directors, to be appointed as directors of the combined company upon the consummation of the merger. Identix has identified Messrs. Cooper, Gudis and Lawler, current Identix directors, and Mr. Rose to be appointed as directors of the combined company. Mr. LaPenta will be appointed as Chairman of the Board of the combined company. The audit committee of the combined company will be comprised of Mr. Nessen as chairman, Mr. Lawler as vice chairman and Mr. Gudis

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and Ms. Mouchly-Weiss as members. The compensation committee of the combined company will be comprised of Mr. Cooper as chairman and Messrs. Berube, Gudis, Tenet and Rose as members. The nominating and governance committee of the combined company will be comprised of Mr. Gelbard as chairman and Messrs. Lawler, Nessen and Rose and Ms. Mouchly-Weiss, as members.

Prior to closing, Viisage expects to appoint two additional directors prior to the closing of the merger. At closing, the entire thirteen member board will be reclassified and the Identix nominees will be Class III directors. In addition, Identix has the right to appoint a fifth director, who will be a Class I director, following the closing of the merger. It is anticipated that these new directors will be considered for appointment to the board committees.

Board Independence

The board of directors has determined that a majority of its members do not have a relationship with Viisage (either directly or as a partner, shareholder or officer of an organization that has a relationship with Viisage) which, in the opinion of the board of directors, would interfere with their exercise of independent judgment. The board of directors has further determined that a majority of its members are independent within the meaning of the independence standards of the Nasdaq Stock Market, Inc., as currently in effect. Each of the four nominees for election as directors at the special meeting is independent within the meaning of the foregoing standards. The board of directors has determined that each of the members of each of the committees of the board of directors has no material relationship with Viisage (either directly or as a partner, shareholder or officer of an organization that has a relationship with Viisage) and is independent within the meaning of the independence standards of the Nasdaq Stock Market, Inc., as currently in effect.

Meetings of the Board of Directors and Committees

Viisage s board of directors held 21 meetings during 2005, and each director attended at least 75% of all meetings of the board of directors and any committee on which he or she served. All members of the board of directors attended Viisage s 2005 Annual Meeting of Stockholders. Board members are encouraged but not required to attend the annual meeting. The board of directors has established a compensation committee, an audit committee, and a nominating and corporate governance committee, all of the members of which are independent directors.

The compensation committee, comprised of Mr. Reilly (chair), Mr. Gelbard, Ms. Mouchly-Weiss, and Mr. Nessen, reviews senior management performance, recommends executive compensation, and administers the Amended and Restated 1996 Directors Stock Option Plan, the Second Amended and Restated 1996 Management Stock Option Plan, the 1997 Employee Stock Purchase Plan and the 2005 Long-Term Incentive Plan.

The audit committee, comprised of Messrs. Nessen (chair), Reilly, and Levine, meets at least quarterly to review Viisage s quarterly financial releases. Each member of the audit committee is independent within the meaning of Section 4200 of the National Association of Securities Dealers Marketplace Rules and as required pursuant to Rule 10A-3 under the Securities Exchange Act of 1934, as amended (referred to as the Exchange Act). The audit committee performs the functions described in the report included in this joint proxy statement/prospectus under the caption Board Audit Committee Report. The board has determined that Messrs. Nessen and Reilly are each qualified as an audit committee financial expert within the meaning of applicable regulations issued under the Exchange Act. The board of directors has adopted a written charter for the audit committee, a copy of which was attached as Appendix A to the proxy statement for the 2005 annual meeting of stockholders.

The nominating and corporate governance committee, comprised of Messrs. Levine (chair) and Nessen and Ms. Mouchly-Weiss, proposes nominees for election to the board of directors, assists the board of directors in its annual review of director performance, and develops and recommends corporate governance guidelines for Viisage. The nominating and corporate governance committee has adopted a written charter, a copy of which was attached as an appendix to the proxy statement for the 2004 annual meeting of shareholders.

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During 2005, the compensation committee met five times, the audit committee met ten times, and the nominating and corporate governance committee met four times.

Compensation of Directors

Pursuant to the Viisage s 2001 Stock in Lieu of Cash Compensation for Directors Plan (referred to as the Director Compensation Plan), each non-employee director received aggregate compensation valued at $60,000 for his or her service as a director in 2005. Two of the directors, Messrs. Berube and Gelbard elected, in accordance with the Director Compensation Plan, to take all of this compensation in shares of Viisage s common stock valued at the closing price of $11.85 on the Nasdaq National Market on March 8, 2005. Accordingly, each of such directors received 5,063 shares of common stock. Six directors, Messrs. Beck, Levine, Nessen, Principato and Reilly and Ms. Mouchly-Weiss, elected, in accordance with the Director Compensation Plan, to take $30,000 of this compensation in common stock and $30,000 of this compensation in cash. Accordingly, each of these six directors received 2,531 shares of common stock. Mr. Nessen, as chair of the audit committee, received an additional $5,000 in cash and each of Messrs. Levine and Reilly, as chairs of the nominating and corporate governance committee and the compensation committee, respectively, received an additional $3,500 in cash. Directors did not receive any additional cash or fees for attending board of directors or committee meetings. However, Viisage reimburses directors for their out-of-pocket expenses incurred in connection with any board of directors or committee meetings.

Non-employee directors also receive grants of nonqualified options under Viisage s 1996 Directors Stock Option Plan, as amended (referred to as the Director Option Plan). In March 2005, Viisage granted each of the seven non-employee directors then serving on the board of directors an option to purchase 10,000 shares of common stock pursuant to the Director Option Plan, which options were fully vested upon grant. Mr. Gelbard was granted an option to purchase 10,000 shares of common stock pursuant to the Director Option Plan, which options were fully vested upon grant, upon his election to the board of directors in September 2005.

Compensation Committee Interlocks and Insider Participation

The compensation committee of the board of directors consists of Thomas Reilly (chair), Robert Gelbard, Harriet Mouchly-Weiss, and Peter Nessen, none of whom are officers or employees of Viisage. No interlocking relationship exists between Viisage s board or compensation committee and the board of directors or compensation committee of any other company, nor has any such interlocking relationship existed in the past.

Consideration of Director Nominees

Shareholder Nominees

As adopted in February 2004, the policy of the nominating and corporate governance committee is to consider properly shareholder nominations for candidates for membership on the board of directors described below under Identifying and Evaluating Nominees for Directors. In evaluating such nominations, like all nominations, the board of directors criteria will include business experience and skills, independence, judgment, integrity, the ability to commit sufficient time and attention to board of director activities and the absence of potential conflicts with Viisage s interests. Any shareholder nominations proposed for consideration by the nominating committee should include the nominee s name and qualifications for board of director membership and should be addressed to Nominating and Corporate Governance Committee, c/o General

Counsel, Viisage Technology, Inc., 296 Concord Road, Third Floor, Billerica, Massachusetts 01821.

In addition, Viisage by-laws permit shareholders to nominate directors for consideration at an annual meeting of shareholders for election by the shareholders of the meeting. Under Viisage s by-laws, nominations for election of directors may be made by the board of directors or by any shareholder entitled to vote in the election of directors provided that no shareholder may nominate a person for election as a director unless written

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notice of such nomination is presented to Viisage not later than 75 days nor more than 120 days prior to the anniversary date of the preceding year s annual meeting. No notice has been given by a shareholder with respect to the election of directors. As a result, no other nominees for election as director will be considered at the annual meeting except nominations made by the board of directors in the event one of the nominees named in the proxy statement should unexpectedly by unavailable.

Identifying and Evaluation Nominees for Directors

Pursuant to the policy set forth in its charter, the nominating committee will utilize a variety of methods for identifying and evaluating nominees for director. The nominating committee s policy is to assess the appropriate size of the board of directors, and whether any vacancies on the board of directors are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the nominating committee will consider various potential candidates for director. Candidates may come to the attention of the nominating committee through current board of director members, shareholders or other persons. These candidates will be evaluated at regular or special meetings of the nominating committee, and may be considered at any point during the year. As described above, the nominating committee will consider properly submitted shareholder nominations for candidates for the board of directors. Following verification of the shareholder status of persons proposing candidates, recommendations will be aggregated and considered by the nominating committee at a regularly scheduled meeting. If any materials are provided by a shareholder in connection with the nomination of a director candidate, such materials will be forwarded to the nominating committee. There are no specific, minimum qualifications that must be met for any nominee.

Viisage has not paid, to date, any third party a fee to assist in evaluating and identifying nominees. During 2005, no candidate was recommended to Viisage by any beneficial owner of more than 5% of its common stock.

Executive Sessions

The board of directors has a practice of meetings in executive sessions without the presence of any members of Viisage s management. The independent members of the board of directors meet in executive sessions at least twice a year.

Communications with the Board

Shareholders may communicate with the board of directors by writing to Board of Directors of Viisage Technology, Inc. c/o General Counsel, 296 Concord Road, Third Floor, Billerica, Massachusetts 01821. All such communications will be forwarded to the chairman of the board of directors as promptly as practicable after receipt.

Code of Ethics

Viisage has adopted a Code of Business Ethics and Standards of Conduct that applies to its directors, executive officers (including its principal executive, financial and accounting officers) and to all other employees. A copy of the Code of Business Ethics and Standards of Conduct will be provided to any person, without charge, upon receipt of a written request addressed to Viisage s Chief Financial Officer at its principal executive offices or an e-mail request addressed to investor@viisage.com.

The Viisage board of directors recommends that Viisage s stockholders vote FOR Denis K. Berube, B.G. Beck, Charles E. Levine and George J. Tenet, the proposed nominees for election to Class I of the Viisage board of directors.

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VIISAGE PROPOSAL NO. 5

ADOPTION OF 2006 EMPLOYEE STOCK PURCHASE PLAN

Viisage proposes to adopt the 2006 Employee Stock Purchase Plan. The following summary of the principal features of the 2006 Employee Stock Purchase Plan is qualified in its entirety by the specific language of the 2006 Employee Stock Purchase Plan, a copy of which is attached as Annex E to this joint proxy statement/prospectus. The 2006 Employee Stock Purchase Plan was also filed electronically with the Securities and Exchange Commission with the registration statement of which this joint proxy statement/prospectus is a part, and is available at www.sec.gov. Viisage s 1997 Employee Stock Purchase Plan is nearly out of shares and is close to expiration. If the 2006 Employee Stock Purchase Plan is approved, no further shares will be issued under the 1997 Plan. On July 5, 2006, the Viisage board of directors approved the 2006 Employee Stock Purchase Plan for adoption by Viisage s shareholders.

Purpose

The purpose of the 2006 Employee Stock Purchase Plan is to provide eligible employees of Viisage and its subsidiaries an opportunity to purchase shares of common stock through payroll deductions or lump sum payments. The 2006 Employee Stock Purchase Plan is intended to qualify as an employee stock purchase plan as defined in Section 423 of the Internal Revenue Code.

Administration

The 2006 Employee Stock Purchase Plan is administered by the compensation committee. The compensation committee may waive such provisions of the 2006 Employee Stock Purchase Plan as it deems necessary to meet special circumstances not anticipated or covered expressly by the 2006 Employee Stock Purchase Plan.

Shares Subject to the 2006 Employee Stock Purchase Plan

The shares of common stock issuable under the 2006 Employee Stock Purchase Plan may be either shares newly issued by Viisage or shares reacquired by Viisage, including shares purchased on the open market. Giving effect to the proposed 2006 Employee Stock Purchase Plan, the maximum number of shares of common stock which may be sold to participants over the term of the 2006 Employee Stock Purchase Plan may not exceed 500,000 shares, subject to adjustment, as described below.

Adjustments

If any change is made to Viisage s outstanding common stock in connection with any merger, consolidation, reorganization, recapitalization, stock split, stock dividend or other relevant change in the capitalization of Viisage, appropriate adjustment will be made in the number of shares reserved under the 2006 Employee Stock Purchase Plan, in the number of shares covered by outstanding rights under the 2006 Employee Stock Purchase Plan, in the exercise price of the rights and in the maximum number of shares that an employee may purchase.

Purchase Periods

Shares of common stock are offered for purchase under the 2006 Employee Stock Purchase Plan during one or more offering periods, the timing and duration of which are designated by the compensation committee. An employee who participates in the 2006 Employee Stock Purchase Plan for a particular purchase period will have the right to purchase common stock on the terms and conditions set forth below and must execute a purchase agreement embodying the terms and conditions and other provisions (not inconsistent with the 2006 Employee Stock Purchase Plan) as the compensation committee may deem advisable.

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Eligibility and Participation

Any individual who is employed on a basis under which he or she is expected to work more than 20 hours per week for more than five months per calendar year in the employ of Viisage or any subsidiary and who is employed at the beginning of the purchase period is eligible to participate in the 2006 Employee Stock Purchase Plan. As of June 30, 2006, Viisage estimated that approximately 256 employees were eligible to participate in the 2006 Employee Stock Purchase Plan.

The method of payment for the shares to be acquired by an employee under the 2006 Employee Stock Purchase Plan will be through regular payroll deduction, lump sum payment or both, as determined by the compensation committee.

No right granted to an employee under the 2006 Employee Stock Purchase Plan during an offering period will cover more shares than may be purchased at an exercise price equal to more than 10% of the base salary payable to the employee during the offering period, not taking into account any changes in the employee s rate of compensation after the date the employee elects to participate in the offering.

Purchase Price

The purchase price per share will be the lesser of (i) 85% of the fair market value per share of common stock on the date on which the purchase right is granted or (ii) 85% of the fair market value per share of common stock on the date the purchase right is exercised.

The fair market value of the common stock on any relevant date under the 2006 Employee Stock Purchase Plan will be the average on that date of the high and low, price per share as reported by the Nasdaq National Market. On June 30, 2006, the fair market value per share of common stock was $15.16 per share.

Special Limitations

The 2006 Employee Stock Purchase Plan imposes certain limitations upon a participant s rights to acquire common stock, including the following limitations:

Purchase rights may not be granted to any individual who immediately thereafter would own stock (including stock purchasable under any outstanding purchase rights) possessing 5% or more of the total combined voting power or value of all classes of stock of Viisage or any of its affiliates.

Purchase rights granted to a participant may not accrue at a rate that exceeds $25,000 in fair market value of the common stock (valued at the time each purchase right is granted) during any one calendar year in which such purchase right is outstanding.

Termination of Purchase Rights

The participant may, unless the employee has waived his or her cancellation right, withdraw from the 2006 Employee Stock Purchase Plan before the expiration of the purchase period and elect to have his or her accumulated payroll deductions refunded immediately without interest.

The participant s purchase right will immediately terminate upon his or her cessation of employment or loss of eligible employee status. Any payroll deductions that the participant may have made for the purchase period in which his or her employment terminates will be refunded without interest.

Stockholder Rights

No participant will have any stockholder right with respect to the shares covered by his or her purchase right until the shares are actually purchased on the participant s behalf. No adjustment will be made for dividends, distributions or other rights for which the record date is prior to the date of such purchase.

Assignability

No purchase rights will be assignable or transferable by the participant, and the purchase rights will be exercisable only by the participant.

Amendment and Termination

The board of directors may terminate or amend the 2006 Employee Stock Purchase Plan. However, the board of directors may not, without stockholder approval, take any action that will adversely affect the then existing purchase rights of any participant or amend the 2006 Employee Stock Purchase Plan (i) to increase the number of shares subject to the 2006 Employee Stock Purchase Plan, (ii) to change the class of persons eligible to participate in the 2006 Employee Stock Purchase Plan, or (iii) to increase materially the benefits accruing to participants under the 2006 Employee Stock Purchase Plan.

No purchase rights will be granted under the 2006 Employee Stock Purchase Plan after July 5, 2016.

Federal Income Tax Consequences

The 2006 Employee Stock Purchase Plan is intended to be an employee stock purchase plan within the meaning of Section 423 of the Internal Revenue Code. Under a plan that so qualifies, no taxable income will be recognized by a participant, and no deductions will be allowable to Viisage, upon either the grant or the exercise of the purchase rights. Taxable income will not be recognized until there is a sale or other disposition of the shares acquired under the 2006 Employee Stock Purchase Plan.

If the participant sells or otherwise disposes of the purchased shares within two years after his or her entry date into the purchase period in which such shares were acquired or within one year after the purchase date on which those shares were actually acquired, then the participant will recognize ordinary income in the year of sale or disposition equal to the amount by which the fair market value of the shares on the purchase date exceeded the purchase price paid for those shares, and Viisage will be entitled to an income tax deduction, for the taxable year in which such disposition occurs, equal in amount to such excess. Any additional gain or loss recognized by the participant on the disposition of the stock will be treated as short-term or long-term capital gain or loss, depending on the time the participant held the shares between the purchase date and the disposition.

If the participant sells or disposes of the purchased shares more than two years after his or her entry date into the purchase period in which the shares were acquired and more than one year after the purchase date of those shares, then the participant will recognize ordinary income in the year of sale or disposition equal to the lesser of (i) the amount by which the fair market value of the shares on the sale or disposition date exceeded the purchase price paid for those shares or (ii) 15% of the fair market value of the shares on the participant s entry date into that purchase period; and any additional gain upon the disposition will be taxed as a long-term capital gain. Viisage will not be entitled to an income tax deduction with respect to such disposition.

The foregoing is only a summary of the federal income taxation consequences to the participant and Viisage with respect to the shares purchased under the 2006 Employee Stock Purchase Plan. The summary does not discuss tax consequences of a participant s death or the income tax laws of any city, state or foreign country in which the participant may reside.

Stockholder Approval

The affirmative vote of a majority of the outstanding common stock of Viisage present or represented and entitled to vote at the meeting is required for approval of the 2006 Employee Stock Purchase Plan.

The Viisage board of directors recommends that Viisage s stockholders vote FOR Proposal No. 5 to adopt the 2006 Employee Stock Purchase Plan.

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PROPOSAL 6 RATIFICATION OF SELECTION

OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The board of directors of Viisage has selected the accounting firm of Deloitte & Touche LLP (Deloitte) as Viisage s independent registered public accounting firm for the year ending December 31, 2006. See Changes in and Disagreements with Accountants and Financial Disclosure of Viisage below for a discussion of the resignation of BDO Seidman, LLP as Viisage s registered independent public accounting firm.

During Viisage s fiscal years ended December 31, 2005 and 2004 and the period from December 31, 2005 through May 1, 2006, neither Viisage, nor anyone on its behalf, consulted with Deloitte with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on Viisage s consolidated financial statements, and no written report or oral advice was provided by Deloitte to Viisage that Deloitte concluded was an important factor considered by Viisage in reaching a decision as to the accounting, auditing, or financial reporting issue or (ii) any matter that was the subject of either a disagreement as defined in Item 304(a)(1)(iv) of Regulation S-K or a reportable event as described in Item 304(a)(1)(v) of Regulation S-K.

Stockholder ratification of the selection of Deloitte is not required by Viisage s by-laws or otherwise. The Viisage board of directors, however, is submitting the selection of Deloitte to the stockholders as a matter of good corporate practice. If the stockholders fail to ratify the selection, the audit committee and the Viisage board of directors will reconsider whether or not to retain such firm. Even if the selection is ratified, the audit committee, in their discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interest of Viisage and its stockholders.

Deloitte representatives are expected to be present at the special meeting and available to respond to appropriate questions. They will have an opportunity to make a statement if they desire to do so.

The Board recommends a vote FOR the ratification of Deloitte & Touche LLP as the Company s independent registered public accounting firm for the year ending December 31, 2006.

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IDENTIX PROPOSAL NO. 2

POSSIBLE ADJOURNMENT OF THE SPECIAL MEETING

If Identix fails to receive a sufficient number of votes to approve Proposal No. 1, Identix may propose to adjourn the special meeting, for a period of not more than 30 days for the purpose of soliciting additional proxies to approve Proposal No. 1. Identix currently does not intend to propose adjournment at the special meeting if there are sufficient votes to approve Proposal No. 1. If approval of the proposal to adjourn the Identix special meeting for the purpose of soliciting additional proxies is submitted to stockholders for approval, such approval requires the affirmative vote of holders of a majority of the votes of the outstanding shares of Identix common stock, present in person or represented by proxy at the special meeting and entitled to vote thereon.

The Identix board of directors recommends that Identix stockholders vote FOR Proposal No. 2 to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following Unaudited Pro Forma Condensed Consolidated Financial Statements have been prepared to give effect to the proposed merger of Viisage and Identix, the acquisition of Integrated Biometric Technology Inc. (IBT), and the acquisition of SecuriMetrics, Inc. (SMI), as if these transactions had been consummated on January 1, 2005 for purposes of the pro forma condensed consolidated statements of operations, and with respect to the pro forma balance sheet, as if the Identix transaction had been consummated on March 31, 2006.

The historical financial data for Viisage for the year ended December 31, 2005 and as of and for the three months ended March 31, 2006, for SMI for the year ended December 31, 2005 and for Identix as of and for the three months ended March 31, 2006 have been derived from their respective financial statements as of the dates and for the periods indicated. The historical results of operations of SMI and for the period January 1, 2006 to February 16, 2006 have been derived from the accounting records of SMI. The historical results of the operations data of Identix for the year ended December 31, 2005 have been calculated by adding the results of operations data for the six months ended June 30, 2005 to the results of operations data for the six months ended December 31, 2005. The historical financial data for IBT for the period January 1, 2005 to December 15, 2005 have been derived by adding the audited results of operations for the nine months ended September 30, 2005 to the unaudited results of operations for the period October 1, 2005 to December 15, 2005.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with Viisage s audited consolidated financial statements as of and for the three years ended December 31, 2005 and its unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2006, Identix audited consolidated financial statements as of and for the three years ended June 30, 2005 and its unaudited condensed financial statements as of and for the three and nine months ended March 31, 2006, IBT s audited consolidated financial statements as of September 30, 2005 and December 31, 2004 and for the nine-month period and the year then ended, respectively, and SMI s audited financial statements as of and for the three years in the period ended December 31, 2005. These financial statements are either included in or incorporated by reference in this joint proxy statement/prospectus.

The pro forma adjustments for the business combinations are based on preliminary purchase price allocations. Actual allocations will be based on final appraisals and other analyses of the fair value of, among other items, identifiable intangible assets, goodwill, inventories, property and equipment, deferred income, income taxes and severance costs. The allocations will be finalized after the data necessary to complete the appraisal and analyses of the fair values of acquired assets and liabilities are obtained and analyzed. Differences between the preliminary and final allocations could have a material impact on Viisage s pro forma results of operations.

The unaudited pro forma condensed consolidated financial statements do not reflect any cost savings or other synergies that management believes could have been achieved had the transactions been consummated on January 1, 2005.

The unaudited pro forma condensed consolidated financial information is not necessarily indicative of the financial position or results of operations presented as of the dates or for the periods indicated, or the results of operations or financial position that may be achieved in the future.

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UNAUDITED PRO FORMA CONDENSED BALANCE SHEET

March 31, 2006

(in thousands)

	Viisage As Reported (2)(3)(4)(6)(7)(12)	Identix As Reported (5)	Identix Pro Forma Adjustments (1)(5)	Pro Forma
Assets				
Current assets:				
Cash & Equivalents	$ 46,428	$ 24,093	$ (11,538)	$ 58,983
Marketable Securities		9,827		9,827
Accounts receivable	15,500	17,801		33,301
Inventories and other costs and estimated earnings in excess of billings	6,805	5,502		12,307
Other current assets	2,003	1,485		3,488
Total current assets	70,736	58,708	(11,538)	117,906
Property and equipment, net	19,453	3,086		22,539
Goodwill	175,450	141,213	533,531	850,194
Intangible assets, net	31,578	10,852	103,048	145,478
Other assets	4,446	947	(2,179)	3,214
Total Assets	$ 301,663	$ 214,806	$ 622,862	$ 1,139,331
Liabilities & Shareholders Equity				
Current liabilities:				
Accounts payable and accrued expenses	$ 17,971	$ 14,275	$ (1,217)	$ 31,029
Current deferred revenue	3,445	7,245	(770)	9,920
Other current liabilities	767			767
Total current liabilities	22,183	21,520	(1,987)	41,716
Deferred tax liability	2,472			2,472
Deferred revenue	1,778	3,040		4,818
Other liabilities	272	495		767
Total Liabilities	26,705	25,055	(1,987)	49,773
Shareholders Equity:				
Common stock	29	896	(854)	71
Additional Paid in Capital	335,274	556,252	263,706	1,155,232
Accumulated Deficit	(58,585)	(367,246)	361,846	(63,985)
Accumulated Other Comprehensive Loss	(1,760)	(151)	151	(1,760)
Shareholders equity	274,958	189,751	624,849	1,089,558
Total Liabilities and Shareholders equity	$ 301,663	$ 214,806	$ 622,862	$ 1,139,331

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UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2006

(in thousands)

	Viisage As Reported (2)	Identix As Reported (5)	Identix Pro Forma Adjustments (8) (12)	Pro Forma	Securimetrics For Period January 1, 2006 to February 16, 2006	Securimetrics Pro Forma Adjustments (10) (12)	Pro Forma
Revenue							
Total revenue	$ 23,438	$ 20,797	$	$ 44,235	$ 193	$	$ 44,428
Total cost of revenue	17,039	13,199	3,600	33,838	171	165	34,174
Total gross profit	6,399	7,598	(3,600)	10,397	22	(165)	10,254
Operating expenses:							
Total operating expenses	8,698	11,753	400	20,851	1,119		21,970
Operating loss	(2,299)	(4,155)	(4,000)	(10,454)	(1,097)	(165)	(11,716)
Interest and other income, net	706	319		1,025			1,025
Income (loss) before income taxes	(1,593)	(3,836)	(4,000)	(9,429)	(1,097)	(165)	(10,691)
Provision for income taxes	(565)	6		(559)			(559)
Net income (loss) from continuing operations	$ (2,158)	$ (3,830)	$ (4,000)	$ (9,988)	$ (1,097)	$ (165)	$ (11,250)
Basic and diluted loss per share:	$ (.07)			$ (0.14)			$ (0.16)
Weighted average basic and diluted common shares outstanding (11)	29,008		42,399	71,407			71,407

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UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2005

(in thousands)

	Viisage As Reported (2)	Identix As Reported	Identix Pro Forma Adjustments (8) (12)	Pro Forma	IBT January 1, 2005 to December 15, 2005	IBT Pro Forma Adjustments (9) (12)	Securimetrics As Reported	Securimetrics Pro Forma Adjustments (10) (12)	Pro Forma
Revenue									
Total revenue	$ 66,224	$ 83,546	$	$ 149,770	$ 12,102	$	$ 9,068	$	$ 170,940
Total cost of revenue	46,132	55,146	14,600	115,878	10,045	834	3,579	1,243	131,579
Total gross profit	20,092	28,400	(14,600)	33,892	2,057	(834)	5,489	(1,243)	39,361
Operating expenses:									
Total operating expenses	26,635	38,738	1,200	66,573	1,282		5,993		73,848
Operating loss	(6,543)	(10,338)	(15,800)	(32,681)	775	(834)	(504)	(1,243)	(34,487)
Interest and other income, net	572	1,482		2,054	(219)		(27)		1,808
Income (loss) before income taxes	(5,971)	(8,856)	(15,800)	(30,627)	556	(834)	(531)	(1,243)	(32,679)
Provision for income taxes	(1,382)	18							