

INVERNESS MEDICAL INNOVATIONS INC
Form FWP
August 06, 2009

FINAL TERM SHEET

**Issuer Free Writing Prospectus
Dated August 5, 2009
(to the Preliminary Prospectus Supplement
dated August 4, 2009)**

**Filed Pursuant to Rule 433
Registration Statement No. 333-158542**

INVERNESS MEDICAL INNOVATIONS, INC.
\$150,000,000 7.875% Senior Notes due 2016
FINAL TERM SHEET
August 5, 2009

Issuer: Inverness Medical Innovations, Inc. (the Company)

Security: 7.875% Senior Notes due 2016

Aggregate Principal Amount: \$150,000,000.

Trade Date: August 5, 2009

Settlement Date: August 11, 2009 (T+ 4 business days)

Final Maturity Date: February 1, 2016

Interest Rate: 7.875% per annum. This rate applied to the aggregate principal amount results in the Company having an annual increase of \$11,812,500 million in cash interest expense due to the offering.

Public Offering Price: 98.144% per note, \$147,216,000 aggregate accreted amount. Please note the aggregate accreted amount and not the aggregate principal amount is the amount of debt that would be reflected on the Company's balance sheet as of the issue date. This public offering price results in more than de minimis original issue discount for tax purposes.

Yield to Maturity: 8.250%

Interest Payment Dates: Semi-annually on February 1 and August 1 of each year.

First Interest Payment Date: February 1, 2010

Record Dates January 15 and July 15 of each year.

Optional Redemption: Except as set forth in this paragraph and in **Optional Redemption with Proceeds from Equity Offerings** and **Make-Whole Redemption** below, the notes may not be redeemed at the Company's option prior to February 1, 2013. At any time on or after February 1, 2013, the Company, at its option, may redeem the notes, in whole or in part,

upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed as percentages of principal amount) set forth below, together with accrued and unpaid interest thereon, if any, to but excluding the redemption date, if redeemed during the 12-month period beginning February 1 of the years indicated:

Date	Price
2013	103.938%
2014	101.969%
2015 and thereafter	100.000%

Optional Redemption with Proceeds from Equity Offerings:

At any time prior to August 1, 2012, the Company may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of one or more Qualified Equity Offerings at a redemption price equal to 107.875% of the principal amount of the notes to be redeemed, *plus* accrued and unpaid interest thereon, if any, to but excluding the date of redemption; *provided, however*, that (1) at least 65% of the aggregate principal amount of notes issued under the Indenture remains outstanding immediately after the occurrence of such redemption and (2) the redemption occurs within 90 days of the date of the closing of any such Qualified Equity Offering.

Make-Whole Redemption:

At any time prior to February 1, 2013, the Company may redeem all or a part of the notes, upon not less than 30 nor more than 60 days notice, at a redemption price equal to 100% of the principal amount (or portion thereof) of the notes to be redeemed *plus* the Applicable Premium as of, and accrued and unpaid interest, if any, to but excluding, the date of redemption.

Applicable Premium means, with respect to the principal amount of any note to be redeemed on any redemption date, the greater of:

(1) 1.0% of the principal amount (or portion thereof) of such note to be redeemed; and

(2) the excess, if any, of

(a) the present value at such redemption date of (i) the redemption price of such note (or portion of the principal amount thereof to be redeemed) at February 1, 2013 (such redemption price being that set forth in the table under Optional Redemption above), *plus* (ii) all required interest payments due on such note (or portion of the principal amount thereof to be redeemed) through February 1, 2013 (excluding accrued but unpaid interest to such redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date *plus* 50 basis points; over

(b) the then outstanding principal amount (or portion thereof) of such note to be redeemed.

Treasury Rate means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the

most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to February 1, 2013; *provided, however*, that if the period from such redemption date to February 1, 2013 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

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Underwriting Discount:	1.50% per note, \$2,250,000 in the aggregate
Proceeds to the Company (before expenses):	96.644% per note, \$144,966,000 in the aggregate
Net Proceeds to the Company (after expenses):	\$143,966,000

CUSIP/ISIN: 46126P AG1 / US46126PAG19

The issuer has filed a registration statement (including a base prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus supplement filed under that registration statement and the base prospectus attached to the prospectus supplement and the documents incorporated by reference therein for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you a copy of the prospectus supplement and accompanying prospectus if you request it by contacting Jefferies & Company, Inc. at One Station Place, Three North, Stamford, CT 06902, Attention: Timothy Lepore or at 1-888-708-5831, from Goldman, Sachs & Co. at 85 Broad Street, New York, NY 10004, Attention: Prospectus Department, or at 1-866-471-2526, or Wells Fargo Securities, LLC at 301 South College Street, Sixth Floor, Charlotte, NC 28202, Attention: High Yield Syndicate or at 1-704-715-8324.

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