

ANGIODYNAMICS INC  
Form S-4  
December 08, 2006  
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As filed with the Securities and Exchange Commission on December 8, 2006

Registration No.

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Form S-4

*REGISTRATION STATEMENT*

*UNDER THE SECURITIES ACT OF 1933*

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## AngioDynamics, Inc.

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**3841**  
(Primary Standard Industrial  
Classification Code Number)

**11-3146460**  
(I.R.S. Employer  
Identification No.)

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**603 Queensbury Avenue**  
**Queensbury, New York 12804**

**(518) 798-1215**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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**Eamonn P. Hobbs**

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President and Chief Executive Officer

AngioDynamics, Inc.

603 Queensbury Avenue

Queensbury, New York 12804

(518) 798-1215

(Name, address, including zip code, and telephone number, including area code, of agent for service)

---

*Copies to:*

Robert B. Pincus, Esq.

Joseph M. DeVivo

Mark B. Weeks, Esq.

Skadden, Arps, Slate, Meagher &

President and Chief Executive Officer

Heller Ehrman LLP

Flom LLP

RITA Medical Systems, Inc.

275 Middlefield Road

One Rodney Square

46421 Landing Parkway

Menlo Park, California 94025

Wilmington, Delaware 19801

Fremont, California 94538

(650) 324-7000

(302) 651-3000

(510) 771-0400

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effectiveness of this Registration Statement and the satisfaction or waiver of all other conditions under the merger agreement described herein.

If the securities being registered on this form are to be 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. "

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**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 that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the 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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**CALCULATION OF REGISTRATION FEE**

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Title of each Class of	Amount	Proposed Maximum Offering Price	Proposed Maximum Aggregate Offering	Amount of Registration
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Securities to be Registered	to be Registered(1)	Per Share	Price(2)	Fee
Common Stock, par value \$0.01	9,757,688	N/A	\$199,460,289.60	\$21,342.25

- (1) Represents the number of shares of the common stock of the registrant that may be issued to former stockholders of RITA Medical Systems, Inc. ( RITA ) pursuant to the merger described herein, giving effect to the exercise of outstanding options or warrants to purchase RITA common stock.
- (2) Pursuant to Securities Act Rule 457(c), (f)(1) and (f)(3), and estimated solely for purposes of calculating the registration fee, the proposed maximum aggregate offering price is \$199,460,289.60 which equals (i) the product of (a) the average of the high and low prices of the common stock, par value \$0.001 per share, of RITA (which is \$4.43), as reported on the NASDAQ Global Market on December 6, 2006 and (b) the total number of shares of common stock of RITA that may be canceled (which is 56,664,855), less (ii) the amount of cash anticipated to be paid by the registrant to former shareholders of RITA (which equals \$51,565,018.05).

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**The information in this joint proxy statement/prospectus is not complete and may be changed. Anglo may not sell these securities 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 nor the solicitation of any offer to buy these securities in any state where the offer or sale is not permitted.**

***SUBJECT TO COMPLETION, DATED DECEMBER 8, 2006***

***MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT***

The boards of directors of AngioDynamics, Inc. and RITA Medical Systems, Inc. have each unanimously approved the merger of RITA with and into Royal I, LLC, a wholly owned subsidiary of AngioDynamics, Inc. Following the merger, Royal I will be the surviving entity and will continue as a wholly owned subsidiary of AngioDynamics, Inc. We are proposing the merger because we believe it will benefit the stockholders of each of our respective companies by creating more stockholder value than either company could create individually and allowing our stockholders to participate in a larger, more diversified company. Throughout this joint proxy statement/prospectus we refer to AngioDynamics, Inc. as **Angio** and RITA Medical Systems, Inc. as **RITA**.

If the proposed merger is completed, RITA stockholders will receive 0.1722 of a share of the common stock of Angio for each share of RITA common stock they own, and an amount of cash per share of RITA common stock so that the total consideration to be received by RITA stockholders totals \$4.70 per share, provided, the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting is less than \$18.18, RITA stockholders will receive 0.1722 of a share of Angio common stock and \$1.57 in cash for each share of RITA common stock they own. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting exceeds \$27.29, RITA stockholders will receive only the stock consideration. As a result, Angio expects to issue 7,861,948 common shares in the transaction and to issue an additional 1,895,740 common shares upon exercise of RITA options and warrants and pay up to a maximum of \$77.3 million in cash in the merger. We estimate that immediately after the merger, RITA stockholders will hold approximately 34.5% of the shares of Angio common stock, on a fully diluted treasury stock method basis, based on the number of shares of Angio and RITA common stock outstanding on November 30, 2006. Angio stockholders will continue to own their existing shares, which will not be affected by the merger.

Angio common stock is quoted on the NASDAQ National Market under the trading symbol **ANGO**. On December 6, 2006, Angio common stock closed at \$22.00 per share.

The merger cannot be completed unless Angio stockholders approve the issuance of shares of Angio common stock in the merger and RITA stockholders adopt the merger agreement. The obligations of Angio and RITA to complete the merger are also subject to the satisfaction or waiver of several other conditions to the merger, including expiration or earlier termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. More information about Angio, RITA and the proposed merger is contained in this joint proxy statement/prospectus. **We encourage you to read carefully this joint proxy statement/prospectus before voting, including the section entitled **Risk Factors** beginning on page 22.**

Based on its review, the board of directors of Angio has determined that the merger agreement and the transactions contemplated by the merger agreement are fair to and in the best interests of Angio and its stockholders and has unanimously approved the merger agreement and the issuance of shares of Angio common stock in the merger. Based on its review, the RITA board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to and in the best interests of RITA and its stockholders and has unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger.

**The Angio board of directors unanimously recommends that Angio stockholders vote **FOR** the proposal to approve the issuance of shares of Angio common stock pursuant to the merger agreement. The RITA board of directors unanimously recommends that RITA stockholders vote **FOR** the proposal to adopt the merger agreement.**

The proposals are being presented to the respective stockholders of each company at their special meetings. The dates, times and places of the meetings are as follows:

**For Angio stockholders:**

, 2007

Place

**For RITA stockholders:**

, 2007

Corporate Headquarters  
46421 Landing Parkway  
Fremont, California 95438

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Address

(510) 771-0400

City, State Zip

Phone

Your vote is very important. Whether or not you plan to attend your respective company's special meeting, please take the time to vote by completing and mailing to us the enclosed proxy card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone. If your shares are held in street name, you must instruct your broker in order to vote.

Sincerely,

Eamonn P. Hobbs

Joseph M. DeVivo

President and Chief Executive Officer

President and Chief Executive Officer

AngioDynamics, Inc.

RITA Medical Systems, Inc.

None of the Securities and Exchange Commission or any state securities commission has approved or disapproved of these transactions or the securities to be issued under this joint proxy statement/prospectus 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 \_\_\_\_\_, 200[6], and is being mailed to stockholders of Angio and RITA on or about \_\_\_\_\_, 200[6].

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**AngioDynamics, Inc.**

603 Queensbury Avenue

Queensbury, New York 12804

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On \_\_\_\_\_, 2007**

To the Stockholders of AngioDynamics, Inc.:

We will hold a special meeting of stockholders of Angio at [place, address, city, state], on \_\_\_\_\_, 2007, at [time] local time, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of Angio common stock, pursuant to the Agreement and Plan of Merger, dated as of November 27, 2006, as amended December 7, 2006, by and among AngioDynamics, Inc., Royal I, LLC and RITA Medical Systems, Inc.
2. To transact any other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

These items of business are described in the attached joint proxy statement/prospectus. Only Angio stockholders of record at the close of business on \_\_\_\_\_, 200[6], the record date for the special meeting, are entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting.

**The board of directors of Angio unanimously recommends that you vote FOR the proposal to approve the issuance of shares of Angio common stock pursuant to the merger agreement.**

A list of stockholders eligible to vote at the Angio special meeting will be available for inspection at the special meeting, and at the principal executive offices of Angio during regular business hours for a period of no less than 10 days prior to the special meeting.

**Your vote is very important.** It is important that your shares be represented and voted whether or not you plan to attend the special meeting in person. You may vote your shares by completing and mailing the enclosed proxy card. If your shares are held in street name, which means shares held of record by a broker, bank or other nominee, you should check the voting form used by that firm to determine how you will be able to submit your proxy. Submitting a proxy by mailing the enclosed proxy card will ensure your shares are represented at the special meeting. Please review the instructions in this joint proxy statement/prospectus and the enclosed proxy card or the information forwarded by your bank, broker or other holder of record regarding each of these options.

By Order of the Board of Directors,

GREGORY J. CHAMPION

*Secretary*

AngioDynamics, Inc.

December , 2006

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**RITA Medical Systems, Inc.**

46421 Landing Parkway

Fremont, California 94538

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On \_\_\_\_\_, 2007**

To the Stockholders of RITA Medical Systems, Inc.:

We will hold a special meeting of stockholders of RITA at its corporate headquarters located at 46421 Landing Parkway, Fremont, California on \_\_\_\_\_, 2007, at \_\_\_\_\_ local time, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of November 27, 2006, as amended December 7, 2006, by and among AngioDynamics, Inc., Royal I, LLC and RITA Medical Systems, Inc.
2. To transact any other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

These items of business are described in the attached joint proxy statement/prospectus. Only RITA stockholders of record at the close of business on \_\_\_\_\_, 200[6], the record date for the special meeting, are entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting.

**The board of directors of RITA unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, on November 27, 2006, and unanimously recommends that you vote FOR the proposal to adopt the merger agreement, as amended, which, along with the transactions contemplated by the merger agreement, are described in detail in this joint proxy statement/prospectus.**

A complete list of RITA stockholders entitled to vote at the RITA special meeting will be available for inspection at RITA's corporate headquarters during regular business hours for a period of no less than 10 days before the special meeting.

**Your vote is very important.** Whether you plan to attend the special meeting or not, please complete, date and sign the enclosed proxy card as soon as possible and return it in the postage-prepaid envelope provided. If your shares are held in street name, which means shares held of record by a broker, bank or other nominee, you should check the voting form used by that firm to determine how you will be able to submit your proxy. Completing a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. However, if you do not return or submit the proxy or vote in person at the special meeting, the effect will be the same as a vote against the proposal to adopt the merger agreement.

By Order of the Board of Directors,

JOSEPH M. DEVIVO  
*President and Chief Executive Officer*  
RITA Medical Systems, Inc.

December \_\_\_\_\_, 2006

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**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about Angio and RITA from documents that are not included in or delivered with this joint proxy statement/prospectus. For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see **Additional Information Where You Can Find More Information** on page 110.

You can obtain any of the documents incorporated by reference into this joint proxy statement/prospectus from Angio or RITA, as applicable, or from the Securities and Exchange Commission, which is referred to as the SEC, through the SEC's website at [www.sec.gov](http://www.sec.gov). Documents incorporated by reference are available from Angio and RITA without charge, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this joint proxy statement/prospectus. Angio stockholders and RITA stockholders may request a copy of such documents in writing or by telephone by contacting the applicable department at:

AngioDynamics, Inc.

RITA Medical Systems, Inc.

603 Queensbury Avenue

46421 Landing Parkway

Queensbury, New York 12804

Fremont, California 94538

Telephone number: (518) 798-1215

Telephone number: (510) 771-0400

Attn: Secretary

Attn: Corporate Secretary

In addition, you may obtain copies of the information relating to Angio, without charge, by contacting Joseph G. Gerardi by email at [jgerardi@angiodynamics.com](mailto:jgerardi@angiodynamics.com), or phone at (518) 798-1215. You may also obtain information regarding Angio at its Investor Relations website at <http://investor.angiodynamics.com>.

In addition, you may obtain copies of the information relating to RITA, without charge, by contacting RITA's Investor Relations Department at (510) 771-0400. You may also obtain information regarding RITA at the Investor Relations section of its website at <http://www.ritamedical.com>.

We are not incorporating the contents of the websites of the SEC, Angio, RITA or any other person into this document. We are only providing the information about how you can obtain certain documents that are incorporated by reference into this joint proxy statement/prospectus at these websites for your convenience.

**In order for you to receive timely delivery of the documents in advance of the Angio and RITA special meetings, as applicable, you should make your request no later than \_\_\_\_\_, 2007.**

For information about where to obtain copies of documents, see **Additional Information Where You Can Find More Information** on page 110.



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***QUESTIONS AND ANSWERS ABOUT THE MERGER***

*The following are some questions that you, as a stockholder of Angio or RITA, may have regarding the merger and the other matters being considered at the respective special meetings of stockholders of Angio and RITA and brief answers to those questions. Angio and RITA urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at their respective special meetings of stockholders. Additional important information is also contained in the annexes to and the documents incorporated by reference in this joint proxy statement/prospectus.*

**Q: Why are Angio and RITA stockholders receiving this joint proxy statement/prospectus?**

A: Angio and RITA have agreed to the acquisition of RITA by Angio under the terms of a merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement and amendment no. 1 to the merger agreement is attached to this joint proxy statement/prospectus as Annex A and Annex E, respectively. All references to the merger agreement in this joint proxy statement/prospectus shall be deemed to include the amendment.

In order to complete the merger, Angio stockholders must approve the issuance of shares of Angio common stock in the merger and RITA stockholders must adopt the merger agreement. Angio and RITA will hold separate special meetings of their respective stockholders to obtain these approvals.

This joint proxy statement/prospectus contains important information about the merger, the merger agreement and the special meetings of the respective stockholders of Angio and RITA, which you should read carefully. The enclosed voting materials allow you to vote your shares without attending your respective company's special meeting.

Your vote is very important. We encourage you to vote as soon as possible.

**Q: Why are Angio and RITA proposing the merger?**

A: Angio and RITA both believe that the merger will provide substantial strategic and financial benefits to the stockholders of both companies because the merger will allow stockholders of both companies the opportunity to participate in a larger, more diversified medical technologies company. We both also believe that the combination will create a stronger and more competitive medical technologies company that is capable of creating more stockholder value than either Angio or RITA could on its own. In addition, RITA is also proposing the merger to provide its stockholders with the opportunity to receive a premium for their shares, to participate in the growth and opportunities of the combined company in their receipt of Angio stock in the merger and to potentially realize some cash for their shares in the merger. To review the reasons for the merger in greater detail, see *The Merger-Recommendation of the Angio Board of Directors and Its Reasons for the Merger* on page 37 and *The Merger-Recommendation of the RITA Board of Directors and Its Reasons for the Merger* on page 39.

**Q: What will happen in the merger?**

A: Pursuant to the terms of the merger agreement, RITA will merge with and into Royal I, LLC a wholly owned subsidiary of Angio, with Royal I continuing as the surviving company of the merger.

**Q: What consideration will RITA stockholders receive in the merger?**

A: RITA stockholders will receive 0.1722 of a share of the common stock of Angio for each share of RITA common stock they own, and an amount of cash per share of RITA common stock so that the total consideration to be received by RITA stockholders totals \$4.70 per share, provided, the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting is less than \$18.18, RITA stockholders will receive

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0.1722 of a share of Angio common stock and \$1.57 in cash for each share of RITA common stock they own. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting exceeds \$27.29, RITA stockholders will receive only the stock consideration. See Summary The Merger Consideration on page 4. RITA stockholders will receive cash for any fractional share of Angio common stock that they would be entitled to receive in the merger.

**Q: Should RITA stockholders send in their RITA stock certificates with their proxy card?**

A: No. Please do not send your stock certificates with your proxy card. Promptly following the effective time of the merger, RITA stockholders will receive a letter of transmittal from the exchange agent directing them on how to exchange their shares of RITA common stock for the merger consideration and where to send their RITA stock certificates.

**Q: How will Angio stockholders be affected by the merger and issuance of Angio common stock in the merger?**

A: After the merger, Angio stockholders will continue to own their existing shares of Angio common stock. Accordingly, Angio stockholders will hold the same number of shares of Angio common stock that they held immediately prior to the merger. However, because Angio will be issuing new shares of Angio common stock to RITA stockholders in the merger, each outstanding share of Angio common stock immediately prior to the merger will represent a smaller percentage of the total number of shares of Angio common stock outstanding after the merger.

**Q: When do Angio and RITA expect the merger to be completed?**

A: If the merger is approved, Angio and RITA expect that, subject to the satisfaction or waiver of the other conditions thereto, the merger will be completed promptly following the Angio and RITA special meetings.

**Q: What are the federal income tax consequences of the merger?**

A: Angio and RITA expect the merger to qualify as a reorganization for U.S. federal income tax purposes. If the merger qualifies as a reorganization under U.S. federal income tax law:

RITA stockholders that are U.S. holders will generally recognize gain (but not loss) in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the amount of cash and the fair market value of the Angio common stock received pursuant to the merger over the RITA stockholders' respective adjusted tax basis in the shares of RITA common stock surrendered) or (2) the amount of cash received pursuant to the merger; and

No gain or loss will be recognized by Angio, RITA or Angio stockholders as a result of the merger.

Tax matters are complicated, and the tax consequences of the merger to each RITA stockholder will depend on the facts of each stockholder's situation. RITA stockholders are urged to read carefully the discussion in the section entitled The Merger-Material United States Federal Income Tax Consequences on page 63 and to consult their own tax advisors for a full understanding of the tax consequences of their participation in the merger.

**Q: Are Angio and RITA stockholders entitled to appraisal rights?**

A: Under Delaware law, if the merger consideration includes a cash payment, holders of RITA common stock have the right to dissent from the merger and obtain payment in cash for the fair value of their shares of common stock, as determined by the Delaware Chancery Court, rather than the merger consideration. To exercise appraisal rights, RITA stockholders must strictly follow the procedures prescribed by Delaware law. These procedures are summarized under the section entitled "The Merger-Dissenters' Rights of

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Appraisal on page 67. In addition, the text of the applicable provisions of Delaware law is included as Annex D to this joint proxy statement/prospectus.

Holders of Angio common stock are not entitled to dissenters' appraisal rights in connection with the issuance of Angio common stock in the merger.

**Q: What are Angio stockholders voting on?**

A: Angio stockholders are voting on a proposal to approve the issuance of shares of Angio common stock pursuant to the merger agreement. The approval of this proposal by Angio stockholders is a condition to the effectiveness of the merger.

**Q: What are RITA stockholders voting on?**

A: RITA stockholders are voting on a proposal to adopt the merger agreement. The approval of this proposal by RITA stockholders is a condition to the effectiveness of the merger.

**Q: What vote of Angio stockholders is required to approve the issuance of shares of Angio common stock in the merger?**

A: Approval of the issuance of shares of Angio common stock pursuant to the merger agreement requires the affirmative vote of a majority of the votes cast on the proposal, in person or by proxy.

**Q: What vote of RITA stockholders is required to adopt the merger agreement?**

A: Approval of the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the shares of RITA common stock outstanding on the record date.

**Q: How does the board of directors of Angio recommend that Angio stockholders vote?**

A: The Angio board of directors unanimously recommends that Angio stockholders vote **FOR** the proposal to approve the issuance of shares of Angio common stock pursuant to the merger agreement. The Angio board of directors has determined that the issuance of shares of Angio common stock to RITA stockholders in the merger is fair to, and in the best interest of, Angio and has recommended the issuance of shares of Angio common stock. For a more complete description of the recommendation of the Angio board of directors, see "The Angio Special Meeting-Recommendation of the Angio Board of Directors" on page 27.

**Q: How does the board of directors of RITA recommend that RITA stockholders vote?**

A: The RITA board of directors unanimously recommends that RITA stockholders vote **FOR** the proposal to adopt the merger agreement. The RITA board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to and in the best interests of RITA and its stockholders. Accordingly, the RITA board of directors has approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. For a



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more complete description of the recommendation of the RITA board of directors, see The RITA Special Meeting-Recommendation of the RITA Board of Directors on page 30.

**Q: When and where will the special meetings of stockholders be held?**

A: The Angio special meeting will take place at [place, address, city, state], on \_\_\_\_\_, 2007, at \_\_\_\_\_ local time. The RITA special meeting will take place at its corporate headquarters located at 46421 Landing Parkway, Fremont, California on \_\_\_\_\_, 2007, at \_\_\_\_\_ local time.

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**Q: Who can attend and vote at the special meetings?**

A: All Angio stockholders of record as of the close of business on \_\_\_\_\_, 200[6], the record date for the Angio special meeting, are entitled to receive notice of and to vote at the Angio special meeting. All RITA stockholders of record as of the close of business on \_\_\_\_\_, 200[6], the record date for the RITA special meeting, are entitled to receive notice of and to vote at the RITA special meeting.

**Q: What should Angio and RITA stockholders do now in order to vote on the proposals being considered at their company's special meeting?**

A: Stockholders of record of Angio as of the record date for the Angio special meeting and stockholders of record of RITA as of the record date for the RITA special meeting may now vote by proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage paid envelope. If you hold Angio shares or RITA shares in street name, which means your shares are held of record by a broker, bank or nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please refer to the voting instruction card used by your broker, bank or nominee to see how you may submit your proxy.

**Q: Can Angio or RITA stockholders vote at their company's special meeting?**

A: Yes. You may also vote in person by attending your respective company's special meeting of stockholders. If you plan to attend your respective company's special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name, and you wish to vote at your respective company's special meeting, you must bring a proxy from the record holder of the shares authorizing you to vote at the special meeting. Whether or not Angio stockholders or RITA stockholders plan to attend their special meeting of their respective company, they should grant their proxy as described in this joint proxy statement/prospectus.

**Q: What will happen if I abstain from voting or fail to vote?**

A: The required vote of Angio stockholders on the proposal to issue shares of Angio common stock in connection with the merger is based upon the number of shares that are actually voted. Accordingly, assuming a quorum is present, the failure of an Angio stockholder to vote or a decision by an Angio stockholder to abstain will have no effect in determining whether the stock issuance is approved. If you are a RITA stockholder, an abstention by you or your failure to vote or to instruct your broker to vote if your shares are held in street name will have the same effect as voting against the proposal to adopt the merger agreement.

**Q: Can I change my vote after I have delivered my proxy?**

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the special meeting by:

Delivering a signed written notice of revocation to your respective company at:

AngioDynamics, Inc.

RITA Medical Systems, Inc.

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603 Queensbury Avenue

46421 Landing Parkway

Queensbury, New York 12804

Fremont, California 94538

Attn: Secretary

Attn: Corporate Secretary

Signing and delivering a new, valid proxy bearing a later date, to be delivered to your respective company at the address listed above; or

Attending the special meeting and voting in person, although your attendance alone will not revoke your proxy.  
If your shares are held in a street name account, you must contact your broker, bank or other nominee to change your vote.

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**Q: What should Angio stockholders or RITA stockholders do if they receive more than one set of voting materials for their company's special meeting?**

A: You may receive more than one set of voting materials for your special meeting, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

**Q: Who can help answer my questions?**

A: If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions you should contact:  
if you are a Angio stockholder:

Innisfree M&A Incorporated

Stockholders call toll-free at (888) 750-5834

Banks and Brokers call collect at (212) 750-5833

if you are a RITA stockholder:

Georgeson Inc.

Stockholders call toll-free at (866) 785-7395

Banks and Brokers call collect at (212) 440-9977

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**SUMMARY**

*The following is a summary that highlights information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that may be important to you. For a more complete description of the merger agreement and the transactions contemplated by the merger agreement, including the merger, we encourage you to read carefully this entire joint proxy statement/prospectus, including the attached annexes. In addition, we encourage you to read the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about Angio and RITA that has been filed with the SEC. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Additional Information Where You Can Find More Information* on page 110.*

***The Companies***

AngioDynamics, Inc.

603 Queensbury Avenue

Queensbury, New York 12804

(518) 798-1215

Attn: Secretary

AngioDynamics, Inc., a Delaware corporation, is a provider of innovative medical devices used in minimally invasive, image-guided procedures to treat peripheral vascular disease, or PVD. Angio designs, develops, manufactures and markets a broad line of therapeutic and diagnostic devices that enable interventional physicians (interventional radiologists, vascular surgeons and others) to treat PVD and other non-coronary diseases. Angio's products include angiographic products and accessories, including angiographic catheters, and uncoated, Teflon-coated, and hydrophilic-coated guidewires to support its angiographic catheter line; dialysis products, including catheters that provide short- and long-term vascular access for dialysis patients; vascular access products; and venous products used in endovascular laser procedures to treat venous insufficiency of the great saphenous vein. Angio also offers thrombolytic catheters that are used to deliver thrombolytic agents to dissolve blood clots in hemodialysis access grafts, arteries, veins, and surgical bypass grafts; percutaneous transluminal angioplasty dilation balloon catheters; intra-vascular devices to measure blood flow in dialysis access sites during an access site clearing procedure; and drainage catheters.

Angio was founded in 1988 as a division of E-Z-EM, Inc. and was incorporated in 1992. In June 2004, Angio completed the initial public offering of its common stock, as a result of which E-Z-EM, Inc.'s ownership of Angio was reduced to 80.4%. In October 2004, E-Z-EM, Inc. distributed all of its Angio shares to its stockholders. Angio common stock is traded on the NASDAQ National Market, which is referred to as the NASDAQ, under the symbol ANGO.

**Royal I, LLC**

Royal I, LLC

c/o AngioDynamics, Inc.

603 Queensbury Avenue

Queensbury, New York 12804

(518) 798-1215

Attn: Secretary



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Royal I, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of AngioDynamics, Inc., was formed by Angio solely for the purpose of effecting the merger and the transactions related to the merger. It has not engaged in any business except in furtherance of this purpose.

RITA Medical Systems, Inc.

46421 Landing Parkway

Fremont, California 94538

(510) 771-0400

Attn: Corporate Secretary

RITA Medical Systems, Inc., a Delaware corporation, develops, manufactures and markets innovative products that provide local oncology therapy options for cancer patients including radiofrequency ablation, or RFA, systems and embolization products for treating cancerous tumors, as well as percutaneous vascular and spinal access systems for systemic treatments. RITA's oncology product lines include implantable ports, some of which feature its proprietary Vortex<sup>®</sup> technology; tunneled central venous catheters; and safety infusion sets and peripherally inserted central catheters used primarily in cancer treatment protocols. RITA's line of radiofrequency products also includes the Habib 4X resection device and will include the new Laparoscopic Habib 4X resection device, both of which are designed to coagulate highly vascularized tissue to facilitate a fast dissection in order to minimize blood loss and blood transfusion during surgery. The proprietary RITA RFA system uses radiofrequency energy to heat tissue to a sufficiently high temperature to ablate it or cause cell death. In March 2000, RITA became the first RFA company to receive specific FDA clearance for unresectable liver lesions in addition to its previous general FDA clearance for the ablation of soft tissue. In October 2002, RITA became the first company to receive specific U.S. Food and Drug Administration clearance for the palliation of pain associated with metastatic lesions involving bone. RITA also distributes LC Bead embolic microspheres in the United States. The LC Bead microspheres are injected into selected vessels to block the blood flow feeding a tumor, causing it to shrink over time, and are often used in combination with RFA.

RITA was founded in 1994 and RITA common stock is traded on the NASDAQ under the symbol RITA.

***The Merger***

The boards of directors of Angio and RITA have agreed to the acquisition of RITA by Angio under the terms of the merger agreement that is described in this joint proxy statement/prospectus. Pursuant to the merger agreement, RITA will merge with and into Royal I, with Royal I surviving the merger as a wholly owned subsidiary of Angio. Royal I is sometimes referred to herein as the surviving company. We have attached the merger agreement as Annex A, and amendment no. 1 to the merger agreement as Annex E, to this joint proxy statement/prospectus. We encourage you to carefully read the merger agreement (including amendment no. 1 to the merger agreement) in its entirety as it is the legal document that governs the merger.

***Merger Consideration***

RITA stockholders will receive 0.1722 of a share of the common stock of Angio for each share of RITA common stock they own, and an amount of cash per share of RITA common stock so that the total consideration to be received by RITA stockholders totals \$4.70 per share, provided, the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting is less than \$18.18, RITA stockholders will receive 0.1722 of a share of Angio common stock and \$1.57 in cash for each share of RITA common stock they own. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting exceeds \$27.29, RITA stockholders will receive only the stock consideration. Angio expects to issue 7,861,948 common shares in

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the transaction and to issue an additional 1,895,740 common shares upon exercise of RITA options and warrants and pay up to a maximum of \$77.3 million in cash in the merger.

For a full description of the merger consideration, see *The Merger Agreement-Merger Consideration* on page 72.

### ***Fractional Shares***

Angio will not issue fractional shares of Angio common stock in the merger. As a result, a RITA stockholder will receive cash for any fractional share of Angio common stock that they would otherwise be entitled to receive in the merger.

For a full description of the treatment of fractional shares, see *The Merger Agreement-Fractional Shares* on page 74.

### ***RITA Equity Awards***

In general, upon completion of the merger, options to purchase shares of RITA's common stock will be assumed by Angio and will be converted into the right to receive, upon exercise, the same mix of merger consideration as received by RITA stockholders in the merger.

In general, upon completion of the merger, warrants to purchase shares of RITA's common stock will be assumed by Angio and will be converted into the right to receive, upon exercise, the same mix of merger consideration as received by RITA stockholders in the merger.

For a full description of the treatment of RITA equity awards, see *The Merger Agreement-Employee Matters* on page 77.

### **Ownership of Angio After the Merger**

Based on the number of shares of Angio and RITA common stock outstanding on their respective record dates, after completion of the merger, Angio expects to issue 7,861,948 common shares in the transaction and to issue up to an additional 1,895,740 common shares upon exercise of RITA options and warrants and former RITA stockholders will own approximately 34.5% of the then-outstanding shares of Angio common stock, on a fully diluted treasury stock method basis.

### **Recommendation of the Boards of Directors**

#### ***Angio***

The Angio board of directors believes that the merger is fair to, and in the best interest of, Angio and its stockholders and has declared the merger to be advisable to its stockholders, and unanimously recommends that Angio stockholders vote **FOR** approval of the issuance of shares of Angio common stock to RITA stockholders pursuant to the merger agreement.

#### ***RITA***

The RITA board of directors believes that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to and in the best interests of RITA and its stockholders and has unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and unanimously recommends that RITA stockholders vote **FOR** adoption of the merger agreement.



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### **Stockholders Entitled to Vote**

#### ***Angio Stockholders***

You can vote at the Angio special meeting if you owned Angio common stock at the close of business on \_\_\_\_\_, 200[6], which is referred to as the Angio record date. On that date, there were \_\_\_\_\_ shares of Angio common stock outstanding and entitled to vote at the Angio special meeting. You can cast one vote for each share of Angio common stock that you owned on the Angio record date.

#### ***RITA Stockholders***

You can vote at the RITA special meeting if you owned RITA common stock at the close of business on \_\_\_\_\_, 200[6], which is referred to as the RITA record date. On that date, there were \_\_\_\_\_ shares of RITA common stock outstanding and entitled to vote at the RITA special meeting. You can cast one vote for each share of RITA common stock that you owned on the RITA record date.

### **Vote Required**

#### ***Angio Stockholders***

Stockholder approval of the issuance of shares of Angio common stock pursuant to the merger agreement requires the affirmative vote of a majority of the votes cast on such proposal, in person or by proxy.

Abstentions and broker non-votes, will be counted in determining whether a quorum is present at the Angio special meeting for purposes of the vote of Angio stockholders on the proposal to approve the issuance of shares of Angio common stock in the merger. Neither an abstention, which occurs when a stockholder attends a meeting either in person or by proxy, but abstains from voting, nor a broker non-vote will have an effect in determining if the proposal is approved by Angio stockholders. A broker non-vote occurs when shares are held in street name by a broker or other nominee on behalf of a beneficial owner and the beneficial owner does not instruct the broker or nominee how to vote the shares at the special meeting.

#### ***RITA Stockholders***

The affirmative vote of the holders of a majority of the shares of RITA common stock outstanding on the record date, in person or by proxy, is required to adopt the merger agreement.

Abstentions and broker non-votes will be counted in determining whether a quorum is present at the RITA special meeting for purposes of the vote of RITA stockholders on the proposal to adopt the merger agreement. An abstention or a broker non-vote will have the same effect as a vote against the proposal to adopt the merger agreement.

### **Share Ownership of Directors and Executive Officers**

At the close of business on the Angio record date, directors and executive officers of Angio and their affiliates beneficially owned and were entitled to vote approximately \_\_\_\_\_ shares of Angio common stock, collectively representing approximately \_\_\_\_\_ % of the shares of Angio common stock outstanding on that date.

At the close of business on the RITA record date, directors and executive officers of RITA and their affiliates beneficially owned and were entitled to vote approximately \_\_\_\_\_ shares of RITA common stock, collectively representing \_\_\_\_\_ % of the shares of RITA common stock outstanding on that date.

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### **Opinions of Financial Advisors**

#### ***Angio***

On November 27, 2006, Cain Brothers & Company, LLC, financial advisor to Angio, which is referred to in this joint proxy statement/prospectus as Cain Brothers, delivered to the Angio board of directors its oral opinion, which was subsequently confirmed by delivery of a written opinion dated November 27, 2006, that, as of that date, and based upon and subject to the considerations described in its opinion and based upon such other matters as Cain Brothers considered relevant, the merger consideration to be paid in the merger was fair to Angio from a financial point of view. The full text of Cain Brothers' written opinion is attached to this joint proxy statement/prospectus as Annex B. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. Cain Brothers' opinion is directed to the Angio board of directors and does not constitute a recommendation to any stockholder as to any matters relating to the merger.

#### ***RITA***

On November 27, 2006, Piper Jaffray & Co., financial advisor to RITA which is referred to in this joint proxy statement/prospectus as Piper Jaffray, delivered to the RITA board of directors its oral opinion, which was subsequently confirmed by delivery of a written opinion dated November 27, 2006, that, as of that date, and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken set forth in its written opinion, the proposed merger consideration to be paid to the holders of the shares of RITA common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to the holders of RITA common stock. The full text of Piper Jaffray's opinion is attached to this joint proxy statement/prospectus as Annex C. We encourage you to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken. Piper Jaffray's opinion is directed to the RITA board of directors and does not constitute a recommendation to any stockholder as to how any stockholder should vote on, or take any action with respect to, the merger or any related matter.

### **Interests of RITA's Directors and Executive Officers in the Merger**

In considering the recommendation of the RITA board of directors with respect to the merger agreement and the transactions contemplated by the merger agreement, including the merger, you should be aware that certain members of the RITA board of directors and certain RITA executive officers have interests in the transactions contemplated by the merger agreement that may be different than, or in addition to, the interests of RITA stockholders, generally. These interests include:

severance payments and continuing benefit obligations under employment offer letters and change of control agreements which may be triggered if the officer leaves or is terminated, in either case, under certain circumstances prior to or following the merger;

potential appointment to the Angio board of directors following the merger; and

accelerated vesting and exercisability of RITA stock options issued under RITA's equity compensation plans or other agreements, including the merger agreement, or as otherwise accelerated by the RITA board of directors.

The RITA board of directors was aware of these interests and considered them, among other matters, in making its recommendation with respect to the merger agreement.

### **Management of Angio After the Merger**

It is currently expected that all of the executive officers of Angio will remain with Angio after the merger. The employment status of the executive officers of RITA after the completion of the merger has not yet been determined.

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After the completion of the merger, there will be nine members of the Angio board of directors, including three seats filled by former directors of RITA who are reasonably acceptable to the Nominating/Corporate Governance Committee of Angio. For a full description of the appointment of RITA directors to the Angio board of directors, see *The Merger Agreement - Angio Board of Directors* on page 81.

### **Listing of Angio Common Stock and Delisting of RITA Common Stock**

Application will be made to have the shares of Angio common stock issued in the merger approved for listing on the NASDAQ, where Angio common stock currently is traded under the symbol *ANGO*. If the merger is completed, RITA common stock will no longer be listed on the NASDAQ and will be deregistered under the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, and RITA will no longer file periodic reports with the SEC.

### **Dissenters' Rights of Appraisal**

#### ***Angio***

Under Delaware law, holders of Angio common stock are not entitled to dissenters' appraisal rights in connection with the issuance of Angio common stock in the merger.

#### ***RITA***

To the extent holders of RITA common stock are entitled to receive cash consideration (other than in payment for fractional shares of Angio common stock) and do not wish to accept the consideration payable pursuant to the merger, such holders may seek, under Section 262 of the General Corporation Law of the State of Delaware, which is referred to in this joint proxy statement/prospectus as the DGCL, judicial appraisal of the fair value of their shares by the Delaware Court of Chancery. This value could be more than, less than or the same as the merger consideration for the RITA common stock. Failure to strictly comply with all the procedures required by Section 262 of the DGCL will result in a loss of the right to appraisal. Moreover, because the determination as to whether holders of RITA common stock will receive any cash consideration for their shares will not be made until the third trading day prior to the RITA special meeting, any RITA stockholder who wishes to seek appraisal rights for their shares should comply with the procedures required by Section 262 of the DGCL, presuming that such appraisal rights will be available.

Merely voting against the merger will not preserve the right of RITA stockholders to appraisal under Delaware law. Also, because a submitted proxy not marked *against* or *abstain* will be voted *FOR* the proposal to adopt the merger agreement, the submission of a proxy not marked *against* or *abstain* will result in the waiver of appraisal rights. RITA stockholders who hold shares in the name of a broker or other nominee must instruct their nominee to take the steps necessary to enable them to demand appraisal for their shares.

Annex D to this joint proxy statement/prospectus contains the full text of Section 262 of the DGCL, which relates to the rights of appraisal. We encourage you to read these provisions carefully and in their entirety.

### **Conditions to Completion of the Merger**

A number of conditions must be satisfied before the merger may be completed. These include, among others:

Adoption of the merger agreement by RITA stockholders;

Approval of the issuance of shares of Angio common stock pursuant to the merger agreement by Angio stockholders;

Absence of any law, injunction or court order prohibiting the merger;

This registration statement being declared effective and not subject to a stop order by the SEC;



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Approval of the listing on the NASDAQ, subject to official notice of issuance of the shares of Angio common stock to be issued in the merger;

The expiration or termination of the waiting period, or any extension to the waiting period, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to in this joint proxy statement/prospectus as the HSR Act;

The material compliance by the parties with their obligations under the merger agreement;

Receipt of opinions of counsel to Angio and to RITA that the merger will qualify as a tax-free reorganization;

Accuracy of the representations and warranties in the merger agreement made by a party, except, generally, where the failure to be accurate has not had and are not reasonably likely to have a material adverse effect on that party; and

Neither party having suffered any change that is reasonably likely to have a material adverse effect on that party.

Each of Angio and RITA may waive certain conditions to the performance of its respective obligations under the merger agreement and complete the merger even though one or more of these conditions has not been met. Neither Angio nor RITA can be certain that all of the conditions to the merger will be either satisfied or waived or that the merger will occur.

**Regulatory Approvals**

The completion of the merger is subject to compliance with the HSR Act. Angio and RITA expect to file the notifications required under the HSR Act to the U.S. Federal Trade Commission, or the FTC, and the Antitrust Division of the U.S. Department of Justice, or the Antitrust Division, on or about December 11, 2006.

**Agreement to Obtain Clearance from Regulatory Authorities**

Angio and RITA have agreed to use their commercially reasonable efforts to take, or cause to be taken, all actions necessary, proper or advisable under applicable law and regulations, including the HSR Act.

Angio and RITA have agreed to use their commercially reasonable efforts to obtain early termination of any waiting period under HSR, file all other notices, reports and other documents required to be filed with any governmental body with respect to the merger, promptly supply the other with any information which may be required in order to effectuate such filings, supply any additional information which reasonably may be required, and to give the other party prompt notice of any communication or threat of commencement of any legal proceeding by any governmental body with respect to the merger.

**No Solicitation by RITA**

The merger agreement contains restrictions on the ability of RITA to solicit or engage in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest of RITA's equity or assets. The merger agreement provides that, from November 27, 2006 until the effective time of the merger, RITA will not, nor will it permit its subsidiaries or representatives to, directly or indirectly:

solicit, encourage or initiate the submission of any acquisition proposals;

furnish any information regarding RITA in connection with any acquisition proposals;

participate in any discussions with respect to any acquisition proposals; or

enter into any agreement with respect to an acquisition proposal.

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Prior to receiving the RITA stockholder approval, RITA may, in response to an unsolicited bona fide acquisition proposal which RITA's board determines, in good faith (after consultation with outside counsel and financial advisors), would reasonably be expected to lead to a superior acquisition proposal, furnish information relating to RITA and negotiate with such party regarding an acquisition proposal. In addition, RITA's board will not withdraw or modify its approval of the merger, or take other actions unless, prior to obtaining the approval of RITA's stockholders, RITA's board determines in good faith, after consultation with outside counsel, that the failure to do so would be inconsistent with its fiduciary duties to RITA's stockholders under applicable law. RITA has agreed to promptly advise Angio of RITA's receipt of any acquisition proposal, including the terms and the identity of the person making the acquisition proposal. Notwithstanding the RITA board withholding, withdrawing or modifying its recommendation, RITA must still convene the RITA special meeting to allow RITA stockholders to vote on the adoption of the merger agreement.

### **Termination of the Merger Agreement**

Angio and RITA may mutually agree in writing, at any time before the completion of the merger, to terminate the merger agreement. Also, either Angio or RITA may terminate the merger agreement in a number of circumstances, including if:

the merger is not completed by the nine month anniversary from the date of the merger agreement, referred to as the outside date;

any governmental entity prohibits the merger;

RITA stockholders fail to adopt the merger agreement at the RITA special meeting; or

Angio stockholders fail to approve the issuance of shares of Angio common stock in the merger at the Angio special meeting.

Angio may terminate the merger agreement by written notice if:

RITA breaches its representations or warranties covenants or agreement contained in the merger agreement, which results in a failure of the conditions to the completion of the merger being satisfied and can not be cured on 30 days' notice; or

the RITA board of directors withdraws or adversely modifies its recommendation of the merger agreement.

RITA may terminate the merger agreement by written notice if:

Angio breaches its representations or warranties, covenants or agreements contained in the merger agreement, which results in a failure of the conditions to the completion of the merger being satisfied and can not be cured on 30 days' notice.

### **Termination Fee**

If the merger agreement is terminated under certain specified circumstances, RITA will be required to pay a termination fee of \$8 million to Angio.

### **Material United States Federal Income Tax Consequences of the Merger**

Angio and RITA expect the merger to qualify as a reorganization for U.S. federal income tax purposes. If the merger qualifies as a reorganization under U.S. federal income tax law:

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RITA stockholders that are U.S. holders will generally recognize gain (but not loss) in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the amount of cash and the fair market value of the Angio common stock received pursuant to the merger over the RITA stockholders' respective adjusted tax basis in the shares of RITA common stock surrendered) or (2) the amount of cash received pursuant to the merger; and

No gain or loss will be recognized by Angio, RITA or Angio stockholders as a result of the merger.



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Tax matters are complicated, and the tax consequences of the merger to each RITA stockholder will depend on the facts of each stockholder's situation. RITA stockholders are urged to read carefully the discussion in the section entitled "The Merger - Material United States Federal Income Tax Consequences" on page 63 and to consult their own tax advisors for a full understanding of the tax consequences of their participation in the merger.

### **Accounting Treatment**

Angio will account for the merger as a purchase under United States generally accepted accounting principles.

### **Risks**

In evaluating the merger, the merger agreement or the issuance of shares of Angio common stock in the merger, you should carefully read this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors" on page 22.

### **Dividend Policies**

#### ***Angio***

The holders of Angio common stock have not received dividends on their shares in the past two fiscal years. Angio does not anticipate paying any dividends on its common stock in the foreseeable future. Certain covenants in Angio's financing arrangements currently prohibit the making of distributions or payment of dividends on its capital stock.

#### ***RITA***

The holders of RITA common stock have not received dividends on their shares. RITA has not paid cash dividends in the past and does not currently anticipate paying cash dividends on its common stock prior to completion of the merger. Certain covenants in RITA's debt instruments and credit facility currently prohibit the payment of dividends on its capital stock.

### **Material Differences in Rights of Angio Stockholders and RITA Stockholders**

RITA stockholders receiving merger consideration in the form of shares of Angio common stock will have different rights once they become Angio stockholders due to differences between the governing documents of Angio and RITA. These differences are described in detail under "Comparison of Stockholders Rights and Corporate Governance Matters" on page 89.

**Table of Contents****SUMMARY SELECTED HISTORICAL FINANCIAL DATA**

Angio and RITA are providing the following information to aid you in your analysis of the financial aspects of the merger.

**AngioDynamics, Inc. Selected Historical Financial Data**

The selected consolidated financial data below is derived from Angio's audited consolidated financial statements for the fiscal years ended June 1, 2002, May 31, 2003, May 29, 2004, May 28, 2005, and June 3, 2006 contained in Angio's annual reports on Form 10-K for the fiscal years ended May 29, 2004, May 28, 2005, and June 3, 2006. Also included is un-audited financial data for Angio covering the quarters ended August 27, 2005 and September 2, 2006. The operating results for the quarter ended September 2, 2006 are not necessarily indicative of the results that will be achieved for a full year. The information is only a summary and should be read in conjunction with the consolidated financial statements, accompanying notes and management's discussion and analysis of results of operations and financial condition of Angio, which can be found in publicly available documents, including those incorporated by reference into this joint proxy statement/prospectus. See "Additional Information Where You Can Find More Information" on page 110.

	June 1, 2002	Fifty-two weeks ended		May 28, 2005	Fifty-three weeks ended June 3, 2006	Thirteen weeks ended August 27, 2005	Thirteen weeks ended September 2, 2006(a)
		May 31, 2003	May 29, 2004	2005	2006	2005	2006(a)
(in thousands, except shares and per share data)							
<b>Consolidated Statements of Income Data:</b>							
Net sales	\$ 30,890	\$ 38,434	\$ 49,055	\$ 60,289	\$ 78,451	\$ 16,367	\$ 20,265
Cost of goods sold	15,333	18,572	23,254	26,912	32,930	6,847	8,339
Gross profit	15,557	19,862	25,801	33,377	45,521	9,520	11,926
Operating expenses							
Selling and marketing	8,901	11,338	13,562	16,000	21,399	4,524	5,730
General and administrative	2,317	2,777	3,565	5,080	7,947	1,563	2,746
Research and development	1,951	2,509	3,551	4,570	5,869	1,519	1,627
Total operating expenses	13,169	16,624	20,678	25,650	35,215	7,606	10,103
Operating profit	2,388	3,238	5,123	7,727	10,306	1,914	1,823
Other income (expenses)							
Interest income	45	38	16	304	792	163	1,042
Impairment loss on investment				(300)			
Interest expense(b)	(863)	(1,021)	(758)	(150)	(138)	(37)	(32)
Other income				36	162	39	159
Income before income tax provision	1,570	2,255	4,381	7,617	11,122	2,079	2,992
Income tax provision	561	1,069	1,238	3,069	4,256	786	1,094
Net income	\$ 1,009	\$ 1,186	\$ 3,143	\$ 4,548	\$ 6,866	\$ 1,293	\$ 1,898
<b>Earnings per common share:</b>							
Basic	\$ .11	\$ .13	\$ .34	\$ .39	\$ .55	\$ .11	\$ .12
Diluted	\$ .11	\$ .13	\$ .32	\$ .37	\$ .53	\$ .10	\$ .12
<b>Weighted average number of shares used in per share calculation:</b>							
Basic	9,200,000	9,200,000	9,216,027	11,571,317	12,377,731	12,143,287	15,499,981
Diluted	9,337,425	9,472,233	9,838,168	12,328,783	12,964,574	12,856,966	15,852,089

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	June 1, 2002	May 31, 2003	May 29, 2004	May 28, 2005	June 3, 2006	August 27, 2005	September 2, 2006
<b>Consolidated Balance Sheet Data:</b>							
Cash, cash equivalents and marketable securities	\$ 1,525	\$ 2,466	\$ 2,585	\$ 27,099	\$ 89,752	\$ 28,814	\$ 89,207
Working capital	10,101	12,360	30,981	42,080	111,349	44,609	113,453
Total assets	20,647	27,056	49,726	59,672	137,000	61,335	141,758
Non-current liabilities	15,165	19,403	3,100	2,935	2,755	2,890	6,210
Retained earnings (accumulated deficit)	(12,129)	(10,943)	(8,268)	(3,720)	3,146	(2,427)	5,044
Total stockholders' equity (deficit)	(295)	1,488	37,232	49,110	123,438	52,018	127,003

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- (a) Reflects \$643 of pre-tax stock-based compensation expense (\$422 net of income tax) following the adoption of SFAS 123R.
- (b) Interest expense, net, includes imputed interest on debt to our former parent, E-Z-EM, of \$596 and \$892 for the fifty-two weeks ended May 29, 2004 and May 31, 2003, respectively. The interest charges are treated as non-cash items for cash flow purposes and increases to additional paid-in capital. Of our indebtedness to E-Z-EM, \$13,148 was capitalized prior to the completion of our initial public offering in May 2004 and the remaining \$3,000 was repaid in June 2004 from the proceeds of the initial public offering.

**Table of Contents****SUMMARY SELECTED HISTORICAL FINANCIAL DATA****Selected Historical Financial Data of RITA**

The following information sets forth selected historical financial data for RITA. The following consolidated statement of operations data for the fiscal years ended December 31, 2001, 2002, 2003, 2004 and 2005 and the consolidated balance sheet data as of December 31, 2001, 2002, 2003, 2004 and 2005 have been derived from the audited consolidated financial statements of RITA. The consolidated statement of operations data for the nine months ended September 30, 2005 and 2006, and the consolidated balance sheet data as of September 30, 2006 have been derived from the unaudited interim condensed consolidated financial statements of RITA, are not necessarily indicative of the results that will be achieved for a full year. The information is only a summary and should be read in conjunction with the consolidated financial statements, accompanying notes and management's discussion and analysis of results of operations and financial condition of RITA, which can be found in publicly available documents, including those incorporated by reference into this joint proxy statement/prospectus. See "Additional Information - Where You Can Find More Information" on page 110.

						(unaudited)	
	Year ended December 31,					Nine Months Ended	
	2001	2002	2003	2004	2005	2005	September 30, 2006
<b>Statement of Operations Data:</b>							
Sales	\$ 14,791	\$ 17,393	\$ 16,607	\$ 28,215	\$ 46,441	\$ 34,351	\$ 38,224
Cost of goods sold	6,132	6,908	6,166	11,200	19,719	13,950	14,328
Impairment of product technology					3,595		
Gross profit	8,659	10,485	10,441	17,015	23,127	20,401	23,896
Operating expenses:							
Research and development	6,489	5,052	4,294	3,787	3,931	2,932	4,049
Selling, general and administrative	16,646	19,366	17,418	20,637	27,281	20,482	23,779
Impairment of intangible assets					1,947		
Restructuring charges				1,309	60	60	
Total operating expenses	23,135	24,418	21,712	25,733	33,219	23,474	27,828
Loss from operations	(14,476)	(13,933)	(11,271)	(8,718)	(10,092)	(3,073)	(3,932)
Interest income	1,610	473	201	46	147	115	181
Interest expense	(86)	(12)		(604)	(886)	(704)	(526)
Other expense, net	(8)	(27)	(9)	(27)	(144)	(118)	(161)
Net loss	\$ (12,960)	\$ (13,499)	\$ (11,079)	\$ (9,303)	\$ (10,975)	\$ (3,780)	\$ (4,438)
Net loss per common share, basic and diluted	\$ (0.90)	\$ (0.91)	\$ (0.63)	\$ (0.35)	\$ (0.26)	\$ (0.09)	\$ (0.10)
Shares used in computing net loss per common share, basic and diluted	14,353	14,890	17,647	26,465	41,778	41,601	43,143
							(unaudited)
	2001	2002	December 31,		2005	September 30,	
			2003	2004		2006	
<b>Balance Sheet Data:</b>							
Cash, cash equivalents and marketable securities, current and long term	\$ 23,537	\$ 12,835	\$ 9,535	\$ 13,858	\$ 5,522		\$ 6,434
Working capital	25,478	16,066	11,886	14,255	13,597		14,554

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Total assets	35,834	24,166	22,033	152,309	136,467	136,089
Long-term obligations, net of current portion			23	9,722	9,762	9,772
Common stock and additional paid-in capital	88,474	88,540	98,055	216,934	220,446	223,832
Total stockholders' equity	32,145	20,603	19,084	128,656	121,195	120,143

**Table of Contents****SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

The following selected unaudited pro forma condensed combined income statement data for the year ended June 3, 2006, and the three months ended September 2, 2006 gives effect to the merger, as if the transaction had occurred on May 29, 2005 and the unaudited pro forma condensed combined balance sheet data gives effect to the merger as if the transactions had occurred on September 2, 2006. The pro forma adjustments are based upon available information and assumptions that each company's management believes are reasonable. The selected unaudited pro forma condensed combined financial data is presented for illustrative purposes only. The companies may have performed differently had they always been combined. Stockholders should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the merger.

The selected unaudited pro forma condensed combined financial data (i) have been derived from and should be read in conjunction with the unaudited pro forma condensed combined financial statements and accompanying notes included in this joint proxy statement/prospectus as described under Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 82, and (ii) should be read in conjunction with the consolidated financial statements of Angio and RITA and other information filed by Angio and RITA with the SEC and incorporated by reference into this joint proxy statement/prospectus. See Additional Information Where You Can Find More Information on page 110.

	<b>Three Months Ended September 2, 2006</b>	<b>Year Ended June 3, 2006</b>
	<b>(In thousands, except per share amounts)</b>	
<b>Statement of Operations Data</b>		
Net Sales	\$ 33,170	\$ 127,051
Operating profit (loss)	426	(2,268)
Income (loss) before income tax provision (benefit)	997	(4,214)
Earnings (loss) per share:		
Basic	\$ 0.03	\$ (0.14)
Diluted	\$ 0.03	\$ (0.14)
	<b>September 2, 2006</b>	
<b>Balance Sheet Data</b>		
Working Capital	\$ 81,378	
Total Assets	334,524	
Long-term Debt	12,410	
Stockholders' Equity	303,823	

**Table of Contents****COMPARATIVE PER SHARE INFORMATION**

The following tables set forth historical per share information of Angio and RITA and unaudited pro forma condensed combined per share information after giving effect to the merger, based on an average price per share of Angio common stock of \$21.76. The unaudited pro forma combined financial data is not necessarily indicative of the financial position had the transaction occurred on May 29, 2005, operating results that would have been achieved had the transaction been in effect as of May 29, 2005 and should not be construed as representative of future financial position or operating results. The unaudited pro forma condensed combined per share information is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and accompanying notes included in this joint proxy statement/prospectus as described under **Unaudited Pro Forma Condensed Combined Financial Statements** beginning on page 82.

This information is only a summary and should be read in conjunction with the financial statements and accompanying notes of Angio and RITA contained in the annual reports and other information that has been filed with the SEC and incorporated by reference in this joint proxy statement/prospectus and with the unaudited pro forma condensed combined financial statements referred to above. See **Additional Information Where You Can Find More Information** on page 110.

The following table sets forth certain historical per share data of Angio and RITA and per share data on an unaudited pro forma combined basis after giving effect to the merger:

	<b>For the Year</b>	<b>For the Period</b>
	<b>Ended</b>	<b>Ended</b>
	<b>June 2006</b>	<b>September 2006</b>
<b>Angio Historical Per Share Data:</b>		
Income From Continuing Operations		
Basic	\$ 0.55	\$ 0.12
Diluted	\$ 0.53	\$ 0.12
Cash Dividends		
Book Value	\$ 9.97	\$ 8.19
<b>RITA Historical Per Share Data:</b>		
Income From Continuing Operations		
Basic	\$ (0.27)	\$ (0.02)
Diluted	\$ (0.27)	\$ (0.02)
Cash dividends		
Book value	\$ 2.78	\$ 2.77
<b>Pro Forma Combined Company Per Share Data</b>		
Income from Continuing Operations		
Basic	\$ (0.14)	\$ 0.03
Diluted	\$ (0.14)	\$ 0.03
Cash Dividends		
Book value		\$ 13.24



**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE DATA**

Angio common stock trades on the NASDAQ under the symbol ANGO . RITA common stock trades on the NASDAQ under the symbol RITA . The table below sets forth, for the periods indicated, dividends and the range of high and low per share sales prices for Angio common stock and RITA common stock as reported on the NASDAQ. For current price information, you should consult publicly available sources. For more information on Angio and RITA payment of dividends, see Dividend Policies above on page 14.

	Angio Common Stock		RITA Common Stock	
	High	Low	High	Low
<b>2004 Calendar Year*</b>				
First quarter			\$ 6.30	\$ 4.02
Second quarter			\$ 7.15	\$ 3.69
Third quarter	\$ 15.00	\$ 11.00	\$ 4.45	\$ 2.83
Fourth quarter	\$ 23.25	\$ 8.90	\$ 5.23	\$ 2.43
<b>2005 Calendar Year</b>				
First quarter	\$ 27.30	\$ 17.31	\$ 3.95	\$ 2.91
Second quarter	\$ 22.97	\$ 15.77	\$ 3.33	\$ 2.55
Third quarter	\$ 26.75	\$ 19.71	\$ 4.19	\$ 2.96
Fourth quarter	\$ 27.17	\$ 17.92	\$ 4.25	\$ 3.00
<b>2006 Calendar Year</b>				
First quarter	\$ 30.14	\$ 21.68	\$ 4.65	\$ 3.45
Second quarter	\$ 31.29	\$ 23.95	\$ 4.15	\$ 3.29
Third quarter	\$ 27.47	\$ 15.20	\$ 3.50	\$ 3.06
Fourth quarter (through December 6, 2006)	\$ 24.84	\$ 19.88	\$ 4.48	\$ 3.12

As of November 15, 2006, there were 314 record holders of Angio common stock and 145 record holders of RITA common stock.

\* Angio's initial public offering was consummated on May 27, 2004.

**Recent Closing Prices**

The following table sets forth the high low and closing sales prices per share of Angio common stock and RITA common stock as reported on the NASDAQ on November 27, 2006, the last full trading day prior to the announcement of the signing of the merger agreement, and December 6, 2006, the most recent practicable date prior to the filing of this joint proxy statement/prospectus.

Date	Angio Common Stock			RITA Common Stock			Equivalent Per Share Data <sup>(1)</sup>
	High	Low	Close	High	Low	Close	
November 27, 2006	\$ 23.10	\$ 21.90	\$ 22.04	\$ 4.00	\$ 3.84	\$ 3.95	\$ 4.70
December 6, 2006	\$ 22.09	\$ 21.51	\$ 22.00	\$ 4.44	\$ 4.42	\$ 4.42	\$ 4.70

(1) Based on the sum of (A) the closing price of Angio common stock on the dates presented above, by multiplying the closing price of a share of Angio common stock on each such date by 0.1722, the exchange ratio for the merger, and (B) \$0.90, as of November 27, 2006 and \$0.91, as of December 6, 2006, which equal the cash consideration per share which would have been paid based upon the closing price of the Angio common stock on that date.

The above tables show only historical comparisons. Because the market prices of Angio common stock and RITA common stock will likely fluctuate prior to the merger, these comparisons may not provide meaningful

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information to Angio stockholders in determining whether to approve the issuance of shares of Angio common stock in the merger or to RITA stockholders in determining whether to adopt the merger agreement. Angio and RITA stockholders are encouraged to obtain current market quotations for Angio and RITA 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 respective proposals before them. See [Additional Information Where You Can Find More Information](#) on page 110.

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**RISK FACTORS**

In addition to the other information included in this joint proxy statement/prospectus, including the matters addressed in Cautionary Statement Concerning Forward-Looking Statements, you should carefully consider the following risks before deciding whether to vote for adoption of the merger agreement, in the case of RITA stockholders, or for approval of the issuance of shares of Angio common stock pursuant to the merger agreement, in the case of Angio stockholders. In addition, you should read and consider the risks associated with each of the businesses of Angio and RITA because these risks will also affect the combined company. These and other material risks to each of Angio and RITA, respectively, can be found in the Angio and RITA Annual Reports on Form 10-K for the years ended June 3, 2006 and December 31, 2005, respectively, and the Quarterly Reports on Form 10-Q for the periods ended September 2, 2006 and September 30, 2006, respectively, which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus.

**Risks Relating to the Merger**

*Because the market price of Angio common stock will fluctuate, the value of the merger consideration received by RITA stockholders may also fluctuate.*

Upon the effective time of the merger, each share of RITA common stock will be converted into the right to receive merger consideration consisting of shares of Angio common stock and possibly cash, pursuant to the terms of the merger agreement. The value of the stock portion of the merger consideration to be received by RITA stockholders will be based on the average of the closing sale price per share of Angio common stock during the 10 trading days ending on the third trading day prior to the RITA special meeting. This average closing price may vary from the market price of Angio common stock on the date the merger was announced or on the date that this document is mailed to RITA stockholders. Although Angio is issuing shares as part of the merger consideration and the provisions of the merger agreement operate to substantially equalize the value of the consideration to be received for each share of RITA common stock at the time the calculation is made, to the extent that the average of the closing sale prices of Angio common stock during the 10 trading day period ending on the third trading day prior to the RITA special meeting is below 18.18 per share, RITA stockholders will receive less than \$4.70 per share upon the effective time of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, in our respective businesses operations and prospects, and regulatory considerations. Many of these factors are beyond our control.

The price of Angio common stock might decrease from its market price on November 27, 2006, the last full trading day prior to the public announcement of the proposed merger. The merger agreement does not provide RITA with a price-based termination right or other protection for RITA or its stockholders against declines in the market price of Angio common stock below \$18.18 per share. Therefore, RITA cannot terminate the merger agreement solely because of a decrease in the trading price of Angio common stock.

During the 12 month period ending on December 6, 2006, the most recent practicable date prior to the filing of this joint proxy statement/prospectus, the price of Angio common stock varied from a low of \$15.20 to a high of \$31.29, and ended that period at \$22.00. We encourage you to obtain current market quotations for Angio common stock before you vote your shares.

*Angio may not realize all of the anticipated benefits of the merger.*

Angio's ability to realize the anticipated benefits of the merger will depend, in part, on the ability of Angio to integrate the businesses of RITA with the businesses of Angio. The combination of two independent companies is a complex, costly and time-consuming process. This process may disrupt the business of either or both of the companies, and may not result in the full benefits expected by Angio and RITA. The difficulties of combining the operations of the companies include, among others:

coordinating marketing functions;

unanticipated issues in integrating information, communications and other systems;

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unanticipated incompatibility of purchasing, logistics, marketing and administration methods;

retaining key employees;

consolidating corporate and administrative infrastructures;

the diversion of management's attention from ongoing business concerns; and

coordinating geographically separate organizations.

The combination of RITA with Angio may not result in the full benefits the parties anticipated from the merger.

***If the proposed merger is not completed, Angio and RITA will have incurred substantial costs that may adversely affect Angio and RITA's financial results and operations and the market price of Angio and RITA common stock.***

Angio and RITA have incurred and will continue to incur substantial costs in connection with the proposed merger. These costs are primarily associated with the fees of attorneys, accountants and Angio and RITA's financial advisors. In addition, Angio and RITA have each diverted significant management resources in an effort to complete the merger and are each subject to restrictions contained in the merger agreement on the conduct of its business. If the merger is not completed, Angio and RITA will have incurred significant costs, including the diversion of management resources, for which it will have received little or no benefit. Also, if the merger is not completed under certain circumstances specified in the merger agreement, RITA is required to pay Angio a termination fee of \$8 million. See The Merger Agreement-Termination Fee on page 80.

In addition, if the merger is not completed, Angio and RITA may experience negative reactions from the financial markets and Angio and RITA's collaborative partners, customers and employees. Each of these factors may adversely affect the trading price of Angio and/or RITA common stock and Angio and/or RITA's financial results and operations.

***Directors of RITA have interests in the merger that may be different from, or in addition to, the interests of RITA stockholders.***

When considering the RITA board of directors' recommendation that RITA stockholders vote in favor of the adoption of the merger agreement, RITA stockholders should be aware that some directors and executive officers of RITA have interests in the merger that may be different from, or in addition to, the interests of RITA stockholders. These interests include the potential for positions as directors of Angio and, under their respective employment offer letters and change of control agreements, severance payments and continuation of benefits, acceleration of vesting and exercisability of options, as well as other potential payments as a result of the merger, and the right to continued indemnification and insurance coverage by Angio for acts or omissions occurring prior to the merger. It is currently not known whether any of the executive officers of RITA will be employed by Angio after the completion of the merger.

As a result of these interests, these directors and officers could be more likely to vote to adopt the merger agreement than if they did not hold these interests, and may have reasons for doing so that are not the same as the interests of other RITA stockholders. For a full description of the interests of directors and executive officers of RITA in the merger, see The Merger Interests of RITA's Directors and Executive Officers in the Merger on page 41.

**Risks Relating to the Surviving Company and Angio's Operations After the Completion of the Merger**

***If Angio is unable to effectively compete against its competitors, its profits will decline.***

The medical technology industry is highly competitive and Angio competitors vary considerably by their size, quality of facilities, number of operations, diversity of products, marketing and growth strategies, financial strength and capabilities, size of product pipeline and scientific and management talent.



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Specifically, the market for interventional devices is characterized by rapid technological change, new product introductions, technological improvements, changes in physician requirements and evolving industry standards. To be successful, Angio must continue to develop and commercialize new products and to enhance versions of our existing products. Angio's products are technologically complex and require significant planning, design, development and testing before they may be marketed. This process generally takes at least 12 to 18 months from initial concept and may take up to several years. In addition, product life cycles are relatively short because medical device manufacturers continually develop smaller, more effective and less expensive versions of existing devices in response to physician demand. Angio's success in developing and commercializing new and enhanced versions of our products is affected by Angio's ability to:

timely and accurately identify new market trends;

accurately assess customer needs;

minimize the time and costs required to obtain regulatory clearance or approval;

adopt competitive pricing;

timely manufacture and deliver products;

accurately predict and control costs associated with the development, manufacturing and support of its products; and

anticipate and compete effectively with Angio's competitors' efforts.

Market acceptance of Angio products depends in part on Angio's ability to demonstrate that its products are cost-effective and easier to use, as well as offer technological advantages. Additionally, Angio may experience design, manufacturing, marketing or other difficulties that could delay or prevent Angio's development, introduction or marketing of new versions of its products. As a result of such difficulties and delays, Angio's development expenses may increase and, as a consequence, Angio's results of operations could suffer.

### ***If Angio fails to adequately protect its intellectual property rights, Angio's business may suffer.***

Angio's success depends in part on obtaining, maintaining and enforcing its patents, trademarks and other proprietary rights, and its ability to avoid infringing the proprietary rights of others. Angio takes precautionary steps to protect its technological advantages and intellectual property. Angio relies upon patent, trade secret, copyright, know-how and trademark laws, as well as license agreements and contractual provisions, to establish its intellectual property rights and protect its products. However, these measures may not adequately protect Angio's intellectual property rights.

Angio's patents may not provide commercially meaningful protection, as competitors may be able to design around Angio's patents to produce alternative, non-infringing designs. Additionally, Angio may not be able to effectively protect its rights in unpatented technology, trade secrets and confidential information. Although Angio requires its new employees, consultants and corporate partners to execute confidentiality agreements, these agreements may not provide effective protection of Angio's information or, in the event of unauthorized use or disclosure, may not provide adequate remedies.

### ***If a product liability claim is brought against Angio or Angio's product liability insurance coverage is inadequate, Angio's business could be harmed.***

The design, manufacture and marketing of the types of medical devices Angio sells entail an inherent risk of product liability. Angio's products are used by physicians to treat seriously ill patients. Angio has been subject to product liability claims in the past, and patients may in the future bring claims in a number of circumstances and for a number of reasons, including if Angio's products were misused, if they produced

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unsatisfactory results or if the instructions for use and operating manuals for Angio's products were found to be inadequate. Claims could also be brought by Angio's customers. Angio carries a product liability policy with limits of \$10 million per

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occurrence and in the aggregate per year, with a \$250,000 deductible per incident and an aggregate deductible limit of \$500,000 per year. Angio believes, based on claims made against us in the past, that its existing product liability insurance coverage is reasonably adequate to protect it from any liabilities Angio might incur. However, Angio cannot assure you that this coverage will be sufficient to satisfy any claim made against it. In addition, Angio may not be able to maintain adequate coverage at a reasonable cost and on reasonable terms, if at all. Any product liability claim brought against Angio, with or without merit, could increase its product liability insurance rates or prevent Angio from securing any coverage in the future. Additionally, if one or more product liability claims is brought against Angio for uninsured liabilities or is in excess of its insurance coverage, Angio's business could be harmed. Further, such claims may require Angio to recall some of its products, which could result in significant costs to Angio and could divert management's attention from Angio's business.

*If Angio cannot obtain and maintain marketing clearance or approval from governmental agencies, Angio will not be able to sell its products.*

Angio is subject to extensive regulations and political and regulatory uncertainty. Regulatory authorities at the U.S. Federal, state and local levels have broad powers with respect to the production, development and testing of medical devices and may take actions which could adversely impact Angio business, financial condition and results of operations. Angio's products are medical devices that are subject to regulation in the United States and in the foreign countries in which they are sold. Unless an exemption applies, each medical device that Angio wishes to market in the United States must receive either 510(k) clearance or premarket approval from the U.S. Food and Drug Administration, or the FDA, before the product can be sold. Either process can be lengthy and expensive. The FDA's 510(k) clearance procedure, also known as premarket notification, is the process Angio has used for its current products. This process usually takes from four to 12 months from the date the premarket notification is submitted to the FDA, but may take significantly longer. Although Angio has obtained 510(k) clearances for its current products, its clearances may be revoked by the FDA if safety or effectiveness problems develop with the devices. The premarket approval process is much more costly, lengthy and uncertain. It generally takes from one to three years from the date the application is submitted to, and filed with, the FDA, and may take even longer. Regulatory regimes in other countries similarly require approval or clearance prior to Angio marketing or selling products in those countries. Angio relies on its distributors to obtain regulatory clearances or approvals of its products outside of the United States. If Angio is unable to obtain additional clearances or approvals needed to market existing or new products in the United States or elsewhere or obtain these clearances or approvals in a timely fashion or at all, or if its existing clearances are revoked, Angio's revenues and profitability may decline.



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**CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus contain or may contain forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include financial projections and their underlying assumptions, other information concerning possible or assumed future results of operations of Angio or RITA, the expected completion and timing of the merger and other information relating to the merger. There are forward-looking statements throughout this proxy statement, including, among others, under the headings Summary The Merger, The Merger Opinion of Angio Financial Advisor, The Merger Opinion of RITA Financial Advisor, and in statements containing the words believes, plans, expects, anticipates, intends, estimates or other similar expressions. You should be aware that forward-looking statements involve known and unknown risks and uncertainties. These forward-looking statements reflect management's current expectations and forecasts, and we cannot be certain that the actual results or developments we anticipate will be realized, or even if realized, that they will have the expected effects on the merger or on the business or operations of Angio or RITA. In addition to other factors and matters discussed in this proxy statement or discussed and identified in other public filings we make with the Securities and Exchange Commission, which we refer to as the SEC, we believe the following risks could cause actual results to differ materially from those discussed in the forward-looking statements:

difficulties in obtaining required stockholder and regulatory approvals of the merger;

diversion of management time on merger-related issues;

litigation or other adversarial proceedings relating to the merger;

a materially adverse change in the financial condition or results of operations of Angio or RITA;

difficulties related to the completion of the merger;

changes in accounting principles, policies or guidelines;

legislative or regulatory changes; and

other economic, competitive, governmental and regulatory factors affecting operations, pricing and services.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the joint proxy statement/prospectus or, in the case of documents incorporated by reference, as of the date of those documents. Neither Angio nor RITA undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as required by law.

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**THE ANGIO SPECIAL MEETING**

**General**

This joint proxy statement/prospectus is being provided to Angio stockholders as part of a solicitation of proxies by the Angio board of directors for use at a special meeting of Angio stockholders. This joint proxy statement/prospectus provides Angio stockholders with the information they need to know to be able to vote or instruct their vote to be cast at the special meeting of Angio stockholders.

**Date, Time, Place and Purpose of the Angio Special Meeting**

The special meeting of Angio stockholders will be held on \_\_\_\_\_, 2007 at \_\_\_\_\_ local time, at [place, address, city, state].

The Angio special meeting is being held for the following purposes:

to consider and vote upon a proposal to approve the issuance of shares of Angio common stock pursuant to the Agreement and Plan of Merger, dated as of November 27, 2006, as amended December 7, 2006, by and among AngioDynamics, Inc., Royal I, LLC and RITA Medical Systems, Inc.; and

to transact any other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

**Recommendation of the Angio Board of Directors**

The Angio board of directors has unanimously approved the merger agreement and unanimously recommends that Angio stockholders vote **FOR** approval of the issuance of shares of Angio common stock to RITA stockholders pursuant to the merger agreement. See The Merger-Recommendation of the Angio Board of Directors and Its Reasons for the Merger on page 37.

**Record Date; Outstanding Shares; Shares Entitled to Vote**

Only holders of record of Angio common stock at the close of business on the record date, \_\_\_\_\_, 200[6], are entitled to notice of and to vote at the Angio special meeting. As of the Angio record date, there were \_\_\_\_\_ shares of Angio common stock outstanding and entitled to vote at the special meeting, held by approximately \_\_\_\_\_ holders of record. Each holder of Angio common stock is entitled to one vote for each share of Angio common stock owned as of the Angio record date.

A list of Angio stockholders will be available for review at the special meeting and at the executive offices of Angio during regular business hours for a period of 10 days before the special meeting.

**Quorum and Vote Required**

A quorum of stockholders is necessary to hold a valid special meeting. The required quorum for the transaction of business at the special meeting is a majority of the votes cast at the Angio special meeting. Only shares of Angio common stock actually represented at the Angio special meeting, in person or by proxy, not including abstentions and broker non-votes, will be treated as votes entitled to cast for purposes of determining the presence of a quorum. Broker non-votes are shares held by a broker or other nominee that are represented at the meeting, but with respect to which such broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal.

The approval of the issuance of shares of Angio common stock pursuant to the merger agreement requires the affirmative vote of a majority of the votes cast on the proposal, in person or by proxy. Votes for and votes against count as votes cast but abstentions and broker non-votes do not count as votes cast.



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### **Voting by Angio Directors and Executive Officers**

As of the Angio record date for the special meeting, the directors and executive officers of Angio as a group beneficially owned and were entitled to vote approximately \_\_\_\_\_ shares of Angio common stock, or approximately \_\_\_\_\_ % of the outstanding shares of Angio common stock on that date.

### **Voting; Proxies; Revocation**

You may vote by proxy or in person at the Angio special meeting. Votes cast by proxy or in person at the Angio special meeting will be tabulated and certified by Angio's transfer agent, Registrar and Transfer Company.

#### ***Voting in Person***

If you plan to attend the Angio special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name, which means your shares are held of record by a broker, bank or other nominee, and you wish to vote at the Angio special meeting, you must bring to the special meeting a proxy from the record holder of the shares authorizing you to vote at the Angio special meeting.

#### ***Voting by Proxy***

Your vote is very important. Accordingly, please complete, sign and return the enclosed proxy card whether or not you plan to attend the Angio special meeting in person. You should vote your proxy even if you plan to attend the Angio special meeting. You can always change your vote at the special meeting. Voting instructions are included on your proxy card. If you properly give your proxy and submit it to Angio in time to vote, one of the individuals named as your proxy will vote your shares as you have directed. A proxy card is enclosed for your use.

The method of voting by proxy differs for shares held as a record holder and shares held in street name. If you hold your shares of Angio common stock as a record holder you may vote by completing, dating and signing the enclosed proxy card and promptly returning it in the enclosed, pre-addressed, postage-paid envelope or otherwise mailing it to Angio. If you hold your shares of Angio common stock in street name, which means your shares are held of record by a broker, bank or nominee, you will receive instructions from your broker, bank or other nominee that you must follow in order to vote your shares. Please see the voting instructions from your broker, bank or nominee that accompany this joint proxy statement/prospectus.

All properly signed proxies that are received prior to the special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted **FOR** approval of the issuance of shares of Angio common stock pursuant to the merger agreement.

#### ***Revocation of Proxy***

You may revoke your proxy at any time before your proxy is voted at the Angio special meeting by taking any of the following actions:

delivering to the Secretary of Angio a signed written notice of revocation, bearing a date later than the date of the proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date; or

attending the Angio special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

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If your shares are held in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee. You must contact your broker, bank or other nominee to find out how to do so.

Written notices of revocation and other communications with respect to the revocation of Angio proxies should be addressed to:

AngioDynamics, Inc.

603 Queensbury Avenue

Queensbury, New York 12804

(518) 798-1215

Attn: Secretary

## **Abstentions and Broker Non-Votes**

Abstentions, or Angio stockholders that do not vote their shares, and broker non-votes will not have an effect on the vote to approve the proposal to issue shares of Angio common stock pursuant to the merger agreement.

Brokers who hold shares of Angio common stock in street name for a beneficial owner of those shares require specific instructions from the beneficial owner regarding the voting of shares held in street name. These non-voted shares are referred to as broker non-votes. If your broker holds your Angio common stock in street name, your broker will vote your shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this joint proxy statement/prospectus.

## **Proxy Solicitation**

Angio is soliciting proxies for the Angio special meeting from Angio stockholders. Angio will bear the entire cost of soliciting proxies from Angio stockholders and the printing and mailing of this joint proxy statement/prospectus and related proxy materials. In addition to the solicitation of proxies, Angio will request that brokers, banks and other nominees send proxies and proxy materials to the beneficial owners of Angio common stock held by them and secure their voting instructions, if necessary. Angio has also made arrangements with Innisfree M&A Incorporated to assist it in soliciting proxies, and has agreed to pay a fee of approximately \$15,000 plus expenses for those services.

## **Other Business; Adjournments**

Angio does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before the Angio special meeting. However, if other matters incident to the conduct of the special meeting are properly presented at the special meeting or any adjournment or postponement of the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.

Adjournments may be made for the purpose of, among other things, soliciting additional proxies. An adjournment may be made from time to time by approval of the holders of shares representing a majority of the votes present in person or by proxy at the special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the special meeting. Angio does not currently intend to seek an adjournment of the Angio special meeting.

## **Assistance**

If you need assistance in completing your proxy card or have questions regarding the Angio special meeting, please contact Innisfree M&A Incorporated. Stockholders may contact Innisfree by calling toll-free at (888) 750-5834, and banks and brokers may contact Innisfree by calling collect at (212) 750-5833.

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**THE RITA SPECIAL MEETING**

**General**

This joint proxy statement/prospectus is being provided to RITA stockholders as part of a solicitation of proxies by the RITA board of directors for use at a special meeting of RITA stockholders. This joint proxy statement/prospectus provides RITA stockholders with the information they need to know to be able to vote or instruct their vote to be cast at the special meeting of RITA stockholders.

**Date, Time, Place and Purpose of the RITA Special Meeting**

The special meeting of RITA stockholders will be held at its corporate headquarters located at 46421 Landing Parkway, Fremont, California on \_\_\_\_\_, 2007, at \_\_\_\_\_ local time.

The RITA special meeting is being held for the following purposes:

to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of November 27, 2006, as amended December 7, 2006, by and among AngioDynamics, Inc., Royal I, LLC and RITA Medical Systems, Inc. If the merger agreement is adopted and the merger and the transactions contemplated by the merger agreement are completed, then each outstanding share of RITA common stock would be converted into 0.1722 of a share of the common stock of Angio and an amount of cash per share of RITA common stock so that the total consideration to be received by RITA stockholders totals \$4.70 per share, provided, the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting is less than \$18.18, RITA stockholders will receive 0.1722 of a share of Angio common stock and \$1.57 in cash for each share of RITA common stock they own. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting exceeds \$27.29, RITA stockholders will receive only the stock consideration; and

to transact any other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

**Recommendation of the RITA Board of Directors**

As discussed elsewhere in this joint proxy statement/prospectus, RITA stockholders are considering and voting to adopt the merger agreement. For the reasons described in this joint proxy statement/prospectus, the RITA board of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and has determined that the merger is advisable, fair to and in the best interests of RITA and its stockholders. Accordingly, the RITA board of directors unanimously recommends that RITA stockholders vote **FOR** adoption of the merger agreement. See The Merger-Recommendation of the RITA Board of Directors and Its Reasons for the Merger on page 39. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the shares of RITA common stock outstanding on the record date.

**RITA Record Date; Outstanding Shares; Shares Entitled to Vote**

Only holders of record of RITA common stock at the close of business on the RITA record date, \_\_\_\_\_, 200[6], are entitled to notice of and to vote at the RITA special meeting. As of the RITA record date, there were \_\_\_\_\_ shares of RITA common stock outstanding and entitled to vote at the special meeting, held by approximately \_\_\_\_\_ holders of record. Each holder of RITA common stock is entitled to one vote for each share of RITA common stock owned as of the RITA record date.

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A complete list of RITA stockholders entitled to vote at the RITA special meeting will be available for inspection at the executive offices of RITA during regular business hours for a period of no less than 10 days before the special meeting.

### **Quorum**

A quorum of stockholders is necessary to hold a valid special meeting of RITA. The required quorum for the transaction of business at the special meeting is a majority of the votes entitled to be cast at the special meeting, whether in person or by proxy. All shares of RITA common stock represented at the RITA special meeting, including abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Broker non-votes are shares held by a broker or other nominee that are represented at the meeting, but with respect to which such broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal.

### **Vote Required**

The adoption of the merger agreement will require the affirmative vote of the holders of a majority of the shares of RITA common stock outstanding on the record date.

It is expected that brokers and other nominees in the absence of instructions from the beneficial owners of the shares will not have discretionary voting authority to vote those shares on the merger agreement and the transactions contemplated by the merger agreement, including the merger. Because adoption of the merger agreement requires the affirmative vote of the holders of a majority of shares of RITA common stock outstanding on the record date, abstaining, not voting on the proposal, or failing to instruct your broker on how to vote shares of RITA common stock held for you by the broker, will have the same effect as a vote against the merger agreement.

### **Voting by RITA Directors and Executive Officers**

As of the RITA record date for the RITA special meeting, the directors and executive officers of RITA as a group beneficially owned and were entitled to vote approximately            shares of RITA common stock, or approximately    % of the outstanding shares of RITA common stock on that date.

### **Voting; Proxies; Revocation**

You may vote by proxy or in person at the RITA special meeting. Votes cast by proxy or in person at the RITA special meeting will be tabulated and certified by RITA's transfer agent, U.S. Stock Transfer Corporation.

### ***Voting by Proxy***

A proxy card is enclosed for your use. Voting instructions are included on your proxy card. Stockholders of record may vote by either completing and returning the enclosed proxy card prior to the RITA special meeting, voting in person at the RITA special meeting or submitting a signed proxy card at the RITA special meeting. If you properly give your proxy and submit it to RITA in time to vote, one of the individuals named as your proxy will vote your shares as you have directed.

### ***Voting in Person***

If you plan to attend the RITA special meeting and wish to vote in person, you will be given a ballot at the RITA special meeting. Please note, however, that if your shares are held in street name, which means your shares are held of record by a broker, bank or other nominee, and you wish to vote at the RITA special meeting, you must bring to the RITA special meeting a proxy from the record holder of the shares authorizing you to vote at the RITA special meeting.

You should vote your proxy even if you plan to attend the RITA special meeting. You can always change your vote at the RITA special meeting.

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**Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the RITA special meeting in person.**

The method of voting by proxy differs for shares held as a record holder and shares held in street name. If you hold your shares of RITA common stock as a record holder, you may vote by completing, dating and signing the enclosed proxy card and promptly returning it in the enclosed, pre-addressed, postage-paid envelope or otherwise mailing it to RITA. If you hold your shares of RITA common stock in street name, which means your shares are held of record by a broker, bank or nominee, you will receive instructions from your broker, bank or other nominee that you must follow in order to vote your shares. Please see the voting instructions from your broker, bank or nominee that accompany this joint proxy statement/prospectus.

All properly signed proxies that are received prior to the RITA special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies or, if no direction is indicated, **FOR** adoption of the merger agreement.

### ***Revocation of Proxies***

You may revoke your proxy at any time before your proxy is voted at the RITA special meeting by taking any of the following actions:

delivering to the Corporate Secretary of RITA a signed written notice of revocation bearing a date later than the date of the proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date; or

if you are a holder of record, attending the RITA special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

If your shares are held in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee. You must contact your broker, bank or other nominee to find out how to do so.

Written notices of revocation and other communications with respect to the revocation of RITA proxies should be addressed to: RITA Medical Systems, Inc., 46421 Landing Parkway, Fremont, California 94538, (510) 771-0400, Attn: Corporate Secretary.

### **Proxy Solicitation**

RITA is soliciting proxies for the RITA special meeting from RITA stockholders. RITA will bear the entire cost of soliciting proxies from RITA stockholders and the printing and mailing of this joint proxy statement/prospectus and related proxy materials. In addition to the solicitation of proxies by mail, RITA will request that brokers, banks and other nominees send proxies and proxy materials to the beneficial owners of RITA common stock held by them and secure their voting instructions, if necessary. RITA has also made arrangements with Georgeson Inc. to assist it in soliciting proxies, and has agreed to pay a fee of approximately \$15,000 plus expenses for those services.

### **Other Business**

RITA does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before the RITA special meeting. However, if other matters incident to the conduct of the special meeting are properly presented at the special meeting or any adjournment or postponement of the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.

### **Assistance**

If you need assistance in completing your proxy card or have questions regarding the RITA special meeting, please contact Georgeson Inc. Stockholders may contact Georgeson Inc. by calling toll-free at (866) 785-7395, and banks and brokers may contact Georgeson by calling collect at (212) 440-9977.





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**THE MERGER**

*The following is a description of the material aspects of the merger. While we believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. We encourage you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached to this joint proxy statement/prospectus as Annex A, and amendment no. 1 to the merger agreement attached to this joint proxy statement/prospectus as Annex E, for a more complete understanding of the merger.*

**General**

Each of the Angio and RITA board of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. Upon the completion of the merger, RITA will be merged with and into Royal I, LLC the separate corporate existence of RITA will cease, and Royal I, LLC will survive as the surviving entity and a wholly owned subsidiary of Angio, and is sometimes referred to herein as the surviving company or Royal I. RITA stockholders will receive 0.1722 of a share of the common stock of Angio for each share of RITA common stock they own, and an amount of cash per share of RITA common stock so that the total consideration to be received by RITA stockholders totals \$4.70 per share, provided, the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting is less than \$18.18, RITA stockholders will receive 0.1722 of a share of Angio common stock and \$1.57 in cash for each share of RITA common stock they own. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting exceeds \$27.29, RITA stockholders will receive only the stock consideration, as provided in the merger agreement and further described below under **The Merger Agreement Merger Consideration** on page 72.

**Background of the Merger**

On or about March 31, 2006, Angio's CEO, Eamonn Hobbs, and RITA's CEO, Joseph DeVivo discussed a possible combination of the companies. During the next few months, each party conducted preliminary investigation on the other. The Angio board of directors discussed various valuation analyses of RITA and the RITA board of directors discussed the potential benefits of a merger with Angio.

On June 15, 2006, Mr. Hobbs and Mr. DeVivo, met at the World Congress of Interventional Oncology Conference in Italy and discussed the potential benefits to a merger of Angio and RITA. Mr. Hobbs and Mr. DeVivo also held a teleconference with members of Angio and RITA's senior management and several members of the RITA board of directors to discuss a possible business combination. On July 30, 2006 and August 14, 2006, follow up meetings between Messrs. Hobbs and DeVivo occurred. During these meetings, various operational aspects of a potential business combination were discussed. During the next several months, each party's management team continued their preliminary due diligence of the other party and updated each company's respective board of directors on this process.

In June 2006, members of RITA's senior management and representatives of RITA's financial advisor also met with and discussed a potential strategic transaction between RITA and a healthcare company referred to in this joint proxy statement/prospectus as Company A. Members of RITA's senior management regularly updated the RITA board of directors as to the nature and progress of these discussions with Company A.

At a meeting of the RITA board of directors held on August 3, 2006, representatives of RITA's financial advisors, gave a presentation regarding various strategic alternatives. Among the alternatives discussed was potential merger with Angio, including the potential synergies which a combined company could achieve.

On August 14, 2006, members of RITA's senior management, two members of RITA's board of directors and representatives of RITA's financial advisors met with representatives of Angio's senior management and

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representatives of Angio's financial advisor to discuss a potential strategic transaction between Angio and RITA, including the potential benefits of such a transaction to both Angio and RITA as well as the potential for growth of the combined company.

On August 15, 2006, the Angio board of directors discussed a proposed transaction with RITA with Angio's management and Angio's financial advisor, Cain Brothers.

On August 29, 2006, Angio presented a preliminary proposal to RITA pursuant to which Angio would acquire RITA in an all-stock transaction resulting in 33.3% pro forma ownership in Angio by RITA stockholders.

At a meeting of the RITA board of directors held on September 6, 2006, Mr. Hobbs and representatives of Cain Brothers gave a presentation regarding a potential strategic transaction between Angio and RITA. Also present at the meeting were representatives from Heller Ehrman LLP, outside legal counsel to RITA, and representatives of RITA's financial advisors. During this meeting, members of the RITA board of directors and RITA management engaged in a detailed discussion regarding a potential merger with Angio, including the potential transaction valuation, financial impact of such a transaction on RITA, potential deal structure and potential benefits and risks of such a transaction to RITA's business and its stockholders.

During the following weeks, Angio's board of directors discussed various possible proposals with Angio's management and Cain Brothers and on September 29, 2006, Angio sent a revised proposal to RITA, which provided for a per share purchase price of \$3.90 per RITA share in stock and cash and providing RITA's stockholders with a 34.5% pro forma ownership of Angio on a fully diluted treasury stock method basis.

At a meeting of the RITA board of directors held on October 4, 2006, members of RITA's senior management updated the RITA board of directors on the status of strategic alternatives being considered by RITA, including Angio's proposal and discussions with Company A. Representatives from each of C.E. Unterberg, Towbin and Piper Jaffray gave presentations to the board regarding proposed strategic alternatives available to RITA. The RITA board of directors authorized RITA's senior management to continue to pursue strategic alternatives available to RITA. The RITA board of directors also authorized the formal engagement of each of C.E. Unterberg, Towbin and Piper Jaffray as financial advisors to RITA.

On October 8, 2006, Mr. DeVivo and Mr. Hobbs further discussed the potential terms on which RITA would be willing to engage in a transaction with Angio.

At a meeting of the Angio board of directors held on October 24, 2006, Angio's board of directors considered this proposal and various potential responses. Subsequent to that meeting, Angio made an offer to purchase RITA for \$4.70 per share in cash and stock and 34.5% pro forma ownership stake in Angio to be held by stockholders of RITA.

At a meeting of the RITA board of directors held on October 25, 2006, representatives of C.E. Unterberg, Towbin and Piper Jaffray gave separate presentations regarding various strategic alternatives, including Angio's offer and the status of discussions with Company A regarding a potential strategic transaction. After discussion and based on the information presented by members of RITA's senior management and RITA's financial advisors, the RITA board of directors directed RITA's senior management and its financial advisors to continue to pursue discussions with Angio regarding a potential business combination. During the meeting, potential synergies that RITA and Angio could achieve as a combined company, including the combination of the companies' complementary product lines and respective intellectual property, were discussed. The RITA board of directors appointed a board subcommittee of Vincent Bucci, Randy Lindholm and Scott Halsted, referred to collectively in this joint proxy statement/prospectus as the RITA board subcommittee and, on behalf of the RITA board of directors, authorized and instructed the RITA board subcommittee to review and give direction to the RITA negotiating team regarding the terms, diligence and other issues associated with the merger. In addition, the RITA board of directors considered and discussed various potential responses to Angio's offer.

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On October 30, 2006, members of the RITA board subcommittee, members of RITA's senior management, representatives of Heller Ehrman LLP and representatives of C.E. Unterberg, Towbin and Piper Jaffray held a teleconference to discuss Angio's offer. Mr. DeVivo briefed the RITA board of directors on the discussions held at this meeting. The RITA board of directors directed members of RITA's senior management team to continue discussions with Angio regarding a potential merger of the two companies.

During the next two weeks, representatives of Angio and RITA engaged in reciprocal due diligence investigations, including on-site due diligence at each company's facilities. Members of each company's management and members of their respective board of directors engaged in active dialogue concerning the potential synergies a combined company would be able to achieve, the potential benefits and risks of the potential business combination between Angio and RITA as well as the potential for growth of the combined company.

On November 7, 2006, members of the RITA board subcommittee, members of RITA's senior management, representatives of Heller Ehrman LLP and representatives of C.E. Unterberg, Towbin and Piper Jaffray held a teleconference to further discuss Angio's offer. The RITA committee directed RITA's senior management to make a counter-proposal to Angio in response to its offer of October 24, 2006.

On November 9, 2006, RITA agreed to provide Angio with a 30-day exclusivity period during which time the parties could complete their due diligence investigations and enter into a definitive acquisition agreement providing for the acquisition of RITA by Angio for a purchase price of \$4.70 per share payable in stock and cash and providing RITA's stockholders with a 34.5% pro forma ownership of Angio on a fully diluted treasury stock method basis.

On November 14, 2006, RITA's counsel delivered an initial draft merger agreement to Angio's counsel and during the next two weeks, the parties and their representatives negotiated the merger agreement and completed their reciprocal due diligence.

On November 17, 2006, members of the RITA board subcommittee, members of RITA's senior management, representatives of Heller Ehrman LLP and representatives of C.E. Unterberg, Towbin and Piper Jaffray held a teleconference to discuss the progress and timing of the legal documentation relating to the merger agreement, due diligence and the proposed timeline for the proposed transaction.

On November 21, 2006, members of the RITA board subcommittee, members of RITA's senior management, representatives of Heller Ehrman LLP and representatives of C.E. Unterberg, Towbin and Piper Jaffray held a teleconference to discuss outstanding issues on the merger agreement and various due diligence matters.

On November 24, 2006, members of the RITA board subcommittee, members of RITA's senior management, representatives of Heller Ehrman LLP and representatives of C.E. Unterberg, Towbin and Piper Jaffray held a teleconference to discuss progress on due diligence matters and the proposed timing of a meeting of the RITA board of directors to discuss and evaluate a potential merger of RITA with Angio.

On November 26, 2006, the RITA board of directors held a teleconference to evaluate the potential merger with Angio. Prior to the meeting, the RITA board of directors was provided with a revised draft of the merger agreement. In addition to the RITA directors, present at this meeting were members of RITA's senior management, representatives of Heller Ehrman LLP and representatives of each of C.E. Unterberg, Towbin and Piper Jaffray. At the beginning of the meeting, representatives of Piper Jaffray and Heller Ehrman LLP reviewed the material terms of the transaction, as set forth in the draft merger agreement presented to the RITA board of directors prior to the meeting. Next, Heller Ehrman LLP reviewed with the RITA board of directors their legal duties and responsibilities in connection with the proposed transaction and reviewed the material terms and conditions contained in the merger agreement and issues in the merger agreement which were still subject to

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negotiation. Legal counsel and members of RITA's senior management also briefed the RITA board of directors on the status of the due diligence process. Legal counsel then briefed the RITA board of directors regarding the composition of the proposed merger consideration. The directors asked numerous questions concerning these and other matters relating to the proposed merger. In addition, representatives from Piper Jaffray reviewed with the RITA board of directors their financial analyses of the financial terms of the proposed merger.

The RITA board of directors then engaged in a discussion of the proposed transaction, including a discussion of the potential strategic benefits of the merger, the fact that the exchange ratio represented, as of November 26, 2006, a premium of 26.0% over the average trading price of a share of RITA common stock during the four week period ended on November 26, 2006, the material terms of the merger agreement (including the termination fee payable by RITA under certain circumstances) and the closing conditions, including the necessary receipt of stockholder approval of the transaction on the part of each of RITA and Angio. The RITA board of directors also considered the various risks to completion of the merger and the interests of the executive officers and directors of RITA in the merger. Following this discussion, the RITA board of directors scheduled a teleconference to be held on November 27, 2006 to further discuss the proposed merger.

On November 26, 2006, the Angio board of directors held a special meeting by teleconference to consider the proposed transaction with RITA. Prior to the meeting, the Angio board of directors was provided with a substantially final draft of the merger agreement and other materials related to the transaction. At the meeting:

Angio management updated the board of directors on the terms of the proposed transaction and the results of their due diligence review;

Representatives of Cain Brothers provided the board of directors with its financial analysis of the proposed transaction; and

Representatives of Skadden, Arps, Slate, Meagher & Flom LLP reviewed the terms of the proposed merger agreement and advised the board of directors of its fiduciary duties in connection with the consideration of the proposed acquisition of RITA.

Following discussion, the Angio board of directors determined to meet the following day to further consider the proposed transaction.

On November 27, 2006, the Angio board of directors held another special meeting by teleconference to further consider the proposed transaction. At that meeting:

Angio's management updated the board of directors on the terms of the transaction; and

Representatives of Cain Brothers rendered an opinion (as subsequently confirmed in writing in an opinion dated November 27, 2006) that as of that date and based on and subject to the assumptions made, procedures followed and matters considered, the merger consideration to be paid by Angio in the merger was fair to Angio from a financial point of view.

Following discussions among the members of the Angio board of directors, Angio's management and representatives of Cain Brothers and Skadden, Arps, Slate, Meagher & Flom LLP, the Angio board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and the issuance of Angio common stock in connection with the merger and resolved to recommend the approval by Angio stockholders of the issuance of Angio common stock in connection with the merger.

On November 27, 2006, the RITA board of directors held a teleconference to discuss the terms and conditions of the proposed merger with Angio. Following this discussion, the RITA board of directors invited members of RITA's senior management, representatives from each of C.E. Unterberg, Towbin and Piper Jaffray and representatives of Heller Ehrman LLP to join the teleconference. Piper Jaffray then rendered to the RITA board of directors its oral opinion (subsequently confirmed in writing), as described under "Opinion of RITA's

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Financial Advisor, that, as of November 27, 2006 and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken set forth in its written opinion, the proposed merger consideration to be paid to the holders of the shares of RITA common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to the holders of RITA common stock. Following further review and discussion among the members of the RITA board of directors, the RITA board of directors approved and adopted the merger agreement and the transactions contemplated thereby, including the merger, and authorized appropriate members of RITA's senior management to enter into the merger agreement on the terms presented to the RITA board of directors at the meeting.

The definitive merger agreement was executed on behalf of RITA, Angio and Royal I on the evening of November 27, 2006.

On the morning of November 28, 2006, the parties issued a joint press release announcing the execution of the merger agreement.

### **Recommendation of the Angio Board of Directors and Its Reasons for the Merger**

The Angio board of directors believes there are substantial benefits to Angio stockholders that can be obtained as a result of the merger. If this transaction is completed, the Angio board of directors believes that the acquisition of RITA will enhance Angio position as a leading medical technologies company with a diversified portfolio of products. At a meeting held on November 27, 2006, the Angio board of directors determined that the merger agreement and the merger are fair to, and in the best interest of, Angio and approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. At that meeting the Angio board of directors resolved to recommend that Angio stockholders approve the issuance of shares of Angio common stock to RITA stockholders pursuant to the merger agreement.

The Angio board of directors consulted with Angio senior management as well as its legal counsel, Skadden, Arps, Slate, Meagher & Flom LLP, and its financial advisor, Cain Brothers in reaching its decisions to approve and adopt the merger agreement and the transactions contemplated by the merger agreement, including the merger, and recommend that Angio stockholders also vote to approve the issuance of shares of Angio common stock to RITA stockholders pursuant to the merger agreement. Among the matters considered by the Angio board of directors in its deliberations were the following material factors:

the strategic benefits of the merger, including:

the ability to expand Angio product offerings and to diversify Angio portfolio of medical products;

the ability of the combined company to better compete with other participants in the medical technology industry;

the ability to expand Angio customer base and better serve its existing customers; and

the operating efficiencies, synergies and the earning power of the combined company;

the attractive financial terms of the merger in light of:

information concerning the financial performance, financial condition, business and prospects of Angio and RITA, as well as conditions in the medical technology industry generally;

information concerning the recent and past stock price performance of Angio and RITA common stock, as well as the views of Wall Street equity analysts regarding the two companies; and

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the prices paid in comparable transactions involving other medical technology companies, as well as the trading performance of the stock of comparable companies in the industry;

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the following terms in the merger agreement:

the aggregate number of shares of Angio common stock to be issued to RITA stockholders and the percentage of the total shares of Angio common stock that current RITA stockholders will own after the merger;

the provisions that prohibit RITA from soliciting other acquisition offers; and

the provisions that require RITA to pay a \$8 million termination fee if the merger agreement is terminated for specified reasons;

an assessment of alternatives to the merger, including development opportunities and other possible acquisition candidates, and the determination that the acquisition of RITA was a strategic fit and presented a unique opportunity to enhance and expand Angio operations and products and to position the company for future growth; and

the written opinion of Cain Brothers dated November 27, 2006, that, as of that date, and based upon and subject to the considerations described in its opinion and based upon such other matters as Cain Brothers considered relevant, the merger consideration to be paid by Angio pursuant to the merger agreement was fair to Angio from a financial point of view.

The Angio board of directors also considered the following factors, uncertainties and risks in its deliberations concerning the merger. However, the Angio board of directors concluded that these risks were outweighed by the potential benefits of the merger:

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

the possibility that the merger might not be completed, or that completion might be unduly delayed, for reasons beyond Angio control;

the effect of the public announcement of the merger on Angio and RITA's stock price;

the projected dilution of Angio earnings per share as a result of the issuance of the shares in the merger, and the estimated time period for the merger to be accretive to Angio earnings per share;

the risk that Angio management's efforts to integrate RITA will disrupt Angio operations;

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

the risk that, despite Angio efforts and the efforts of RITA after the merger, the combined company may lose key personnel;



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the restrictions on the conduct of Angio's business during the period between the signing of the merger agreement and the completion of the merger; and

the other risks described above under "Risk Factors" on page 22.

It was not practical to, and thus the Angio board of directors did not, quantify, rank or otherwise assign relative weights to the wide variety of factors it considered in evaluating the merger and the merger agreement, nor did the board determine that any one factor was of particular importance in deciding that the merger agreement and associated transactions were in the best interests of Angio and its stockholders. This discussion of information and material factors considered by the Angio board of directors is intended to be a summary rather than an exhaustive list. In considering these factors, individual members of the board may have given different weight to different factors. The board conducted an overall analysis of the factors described above, and overall considered the factors to support its decision in favor of the merger and the merger agreement. The decision of each member of the Angio board of directors was based upon his own judgment, in light of all of the information presented, regarding the overall effect of the merger agreement and associated transactions on Angio stockholders, as compared to any potential alternative transactions or courses of action. After considering this information, all members of the Angio board of directors unanimously approved the merger agreement and the

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transactions contemplated by the merger agreement, including the merger, and recommended that Angio stockholders approve the issuance of shares of Angio common stock to RITA stockholders pursuant to the merger agreement.

**Recommendation of the RITA Board of Directors and Its Reasons for the Merger**

The RITA board of directors believes that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to and in the best interests of RITA and its stockholders. Accordingly, the RITA board of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and unanimously recommends that RITA stockholders vote for adoption of the merger agreement.

The RITA board of directors, in reaching its decision to approve and adopt the merger agreement and the transactions contemplated by the merger agreement, including the merger, consulted with RITA executive officers and RITA's financial and legal advisors and considered a variety of factors weighing positively in favor of the merger, including, without limitation, the following:

If the proposed merger is completed, RITA stockholders will receive 0.1722 of a share of the common stock of Angio for each share of RITA common stock they own, and an amount of cash per share of RITA common stock so that the total consideration to be received by RITA stockholders totals \$4.70 per share, provided, the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting is less than \$18.18, RITA stockholders will receive 0.1722 of a share of Angio common stock and \$1.57 in cash for each share of RITA common stock they own. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting exceeds \$27.29, RITA stockholders will receive only the stock consideration. If the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting, the implied value of the \$4.70 of merger consideration payable in respect of each share of RITA common stock will represent a premium of 26.0% over the average trading price of one share of RITA common stock during the four week period prior to November 27, 2006, the date on which the merger agreement was executed by RITA and Angio.

A substantial portion, and based on the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting, potentially all of the merger consideration to be received by RITA stockholders will be shares of Angio common stock, which will allow RITA stockholders, following completion of the merger, to participate in the benefits of a more diversified company with greater resources and, as stockholders of Angio, benefit from any future growth of the combined company.

The alternatives reasonably available to RITA, including remaining a stand-alone entity and pursuing other strategic acquisitions.

Angio's agreement to assume RITA's outstanding debt, including RITA's outstanding Senior Convertible Notes.

Its analysis of the business, operations, financial condition, earnings and prospects of both RITA and Angio, including the results of RITA's due diligence review of Angio and its business.

The potential for the merger to create the opportunity for the combined company to achieve significant cost savings, estimated to be approximately \$9.0 million annually, and synergies which will inure to a significant degree to the benefit of RITA stockholders as Angio stockholders and to customers of the combined company.

The current and prospective industry, economic and market conditions and trends, including increased competition in the industry in which RITA operates, and the belief that the combined company, with greater size and scale, would be better positioned to succeed.



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The strategic nature of the business combination, the complementary nature of the companies' research and development expertise, their sales forces and manufacturing resources, and the belief of the RITA board of directors that combining the two companies likely will create a stronger company able to deal more efficiently with the costs of being a public company.

The fact that current RITA stockholders will own approximately 34.5% of the outstanding RITA common stock immediately following the merger on a fully diluted basis.

The complementary nature of the companies' product lines which will provide the combined company's sales force a more diverse array of medical devices to market and sell to existing and new customers.

The potential for the combined company to generate greater revenues, as compared to RITA as a stand-alone entity, through the combination of the two companies' complementary customer bases, which will inure to a significant degree to the benefit of RITA stockholders as Angio stockholders.

The potential for the merger to have an accretive effect with regard to RITA's earnings following completion of the merger, which will inure to a significant degree to the benefit of RITA's stockholders as Angio stockholders.

Piper Jaffray's opinion to the RITA board of directors to the effect that, as of November 27, 2006, based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken, as set forth in its written opinion, the proposed merger consideration to be paid to the holders of the shares of RITA common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to the holders of RITA common stock. See "Opinion of RITA's Financial Advisor" on page 52.

The terms of the merger agreement relating to third-party offers, including the limitations on the ability of RITA to solicit offers for alternative business combinations.

The other terms of the merger agreement, including:

The representations and warranties of Angio;

The covenants of RITA and Angio and their effect on the operations of RITA and Angio prior to the merger;

The conditions required to be satisfied prior to completion of the merger; and

The rights of RITA and Angio to terminate the merger agreement.

The expectation that the merger will be treated as a tax-free reorganization for U.S. federal income tax purposes, with the result that RITA stockholders will only recognize capital gain (but not loss) on the exchange of their RITA shares for Angio common stock to the extent that they also receive cash consideration in the merger. See the section entitled "The Merger - Tax Consequences of the Merger" beginning on page 65.

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In addition to these factors, the RITA board of directors also considered the potential adverse impact of other factors weighing negatively on the proposed transactions. These included the following:

The risks described under the section of this joint proxy statement/prospectus entitled *Risks Relating to the Merger* .

The challenges of combining the businesses and workforces of RITA and Angio.

The risk that the cost savings, synergies and other benefits expected to be obtained in the transaction might not be fully realized.

The potential disruption to RITA's business that may result from the announcement of the merger, including the potential loss of existing customers and employees, the potential for the renegotiation of

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terms with existing RITA customers on terms that are less favorable to RITA, and the potential for not being able to obtain new business from existing or potential customers.

If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting is less than \$18.18, RITA stockholders will receive a fixed amount of merger consideration equal to 0.1722 of a share of Angio common stock and \$1.57 in cash for each share of RITA common stock they own. As a result, RITA stockholders will be adversely affected by any decrease in the sale price of Angio common stock below \$18.18 between the date of execution of the merger agreement and the closing of the merger, which would not have been the case had the consideration been based on a fixed value (that is a fixed dollar amount of value per share in all cases).

The limitations imposed in the merger agreement on the conduct by RITA of its business and on the solicitation by RITA of alternative business combinations prior to completion of the merger.

The requirement that RITA must pay to Angio a termination fee of \$8.0 million if the merger agreement is terminated under certain circumstances specified in the merger agreement. See the section entitled *The Merger Agreement Termination Fee* beginning on page 80.

The loss of autonomy of RITA.

The risk that the merger might not be completed and the effect of the resulting public announcement of the termination on:

the market price of RITA common stock;

RITA's operating results, particularly in light of the substantial costs incurred in connection with the proposed transaction, including the potential requirement to make a termination fee payment and expense reimbursement; and

RITA's ability to attract and retain key personnel.

The RITA board of directors also considered the interests that certain executive officers and directors of RITA may have with respect to the merger in addition to their interests as stockholders of RITA generally, as described in the section entitled *Interests of Certain Persons in the Merger* on page 41, which the RITA board of directors considered as being neutral in its evaluation of the proposed transaction.

The RITA board of directors concluded that the positive factors significantly outweighed the negative and neutral factors described above. This discussion of the information and factors considered by the RITA board of directors includes all the material positive, negative and neutral factors considered by the RITA board of directors, but it is not intended to be exhaustive and may not include all of the factors considered by the RITA board of directors. In reaching its determination to approve and recommend the merger agreement and the transactions contemplated by the merger agreement, including the merger, the RITA board of directors did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to and in the best interests of RITA and its stockholders. Rather, the RITA board of directors viewed its position and recommendation as being based on an overall analysis and on the totality of the information presented to and factors considered by it. In addition, in considering the factors described above, individual members of the RITA board of directors may have given differing weights to different factors. After considering this information, all members of the RITA board of directors unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and recommended that RITA stockholders adopt the merger agreement.

**Interests of RITA's Directors and Executive Officers in the Merger**

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In considering the recommendation of the RITA board of directors with respect to the merger, RITA stockholders should be aware that certain executive officers and directors of RITA have interests in the

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transactions contemplated by the merger agreement that may be different from, or in addition to, the interests of RITA stockholders generally. The RITA board of directors was aware of these interests and considered them, among other matters, in making its recommendation.

***RITA Employment and Change of Control Agreements***

The following executive officers of RITA are parties to an employment offer letter and change of control agreement with RITA: Joseph M. DeVivo, Michael D. Angel, Mario Martinez, Darrin Uecker and Juan J. Soto.

***Change of Control Agreements***

Pursuant to the change of control agreements, in the event that RITA consummates a change of control transaction (such as the proposed merger), (i) 50% of any unvested options held by the above officers will become fully vested and immediately exercisable, (ii) repurchase rights will lapse with respect to 50% of the shares of restricted stock held by the officer and (iii) the remaining unvested options or restricted stock will vest or lapse ratably each month over the following 12 months.

If any of the above officers are terminated without cause, or if he resigns for good reason which includes (i) any material reduction in the officer's duties or responsibilities, (ii) any reduction in base and cash bonus compensation, or (iii) the officer's refusal to relocate more than 25 miles from RITA's current location and, with respect to Messrs. DeVivo and Angel, good reason also includes (iv) any reduction in title (with respect to the combined entity and not just with respect to a merger subsidiary or division) to a title of a less senior officer and (v) any change in the structure such that Mr. Angel or Mr. DeVivo would now report to someone of a lesser title than the title to which he reported prior to the change in control) within two months prior to or 12 months after a change in control transaction, all unvested options or repurchase rights held by such officer will fully vest or lapse, respectively, and the officer will be paid a cash severance amount equaling 12 months (18 months, in the case of Mr. DeVivo) of such officer's target compensation (base salary plus potential for annual target bonus or commission as if earned at 100% attainment) in addition to continued health and life coverage which shall be provided for 12 months (except for health coverage for Mr. DeVivo, which shall be continued for 18 months) and the payment of any previously earned but unpaid bonus or commission amounts applicable to periods prior to the change in control as well as an amount applicable to any accrued vacation hours not previously taken. Additionally, if the above change in control severance benefits cause such officer to be subject to IRC section 280G-related excise tax, and provided that such benefits exceed the IRC section 280G limit golden parachute by more than \$100,000, RITA or its successor will pay the officer a gross up amount to put the officer in the same after-tax position as if the IRC 280G excise tax had not been imposed.

The following table provides an estimate of the cash severance amounts that the executive officers of RITA will be entitled to receive in the event they are involuntarily terminated, as defined in each individual officer's change of control agreement, within two months prior or 12 months following a change of control. These cash severance amounts exclude any previously earned but unpaid bonus or commission amounts and the cost of the continued health and life coverage described above. The cash severance amounts also exclude the amount, if any, of an additional payment in an amount necessary to cover the amount of the 280G excise tax, as described above, should this excise tax be required for these executive officers, as provided for in their respective change in control agreements.

		<b>Cash</b>
<b>Name</b>	<b>Title</b>	<b>Severance</b>
Joseph M. DeVivo	President, Chief Executive Officer and Director	\$ 682,500
Michael D. Angel	Chief Financial Officer	348,400
Mario Martinez	Executive Vice President, Operations and General Manager	314,900
Juan J. Soto	Executive Vice President, Global Sales	270,000
Darrin Uecker	Chief Technology Officer	314,900
Total		\$ 1,930,700



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The change of control agreements also provide that each executive officer will have 50% of his unvested options as of the close of the transaction become fully vested and exercisable, with the remainder of the then unvested options vesting over the subsequent 12 months, or immediate vesting of all unvested stock option upon an involuntary termination, if prior to the conclusion of the 12 month period.

The following table identifies for each RITA executive officer the total number stock options expected to be outstanding on December 15, 2006, together with the number of such options expected to be unvested as of such date. In addition, the table includes a calculation for each executive officer of the estimated dollar value of such unvested options as if the transaction were to close December 15, 2006, assuming an involuntary termination at such date in all cases, based upon the difference between (i) the actual exercise price for executive officer's then unvested options, and (ii) the contemplated transaction sale price of \$4.70 per share, which assumes that the average closing price of the Angio stock is within the prescribed collar.

Name	Estimated Total Number of Stock Options Outstanding at Dec. 15, 2006	Approx. Average Exercise Price (Total Options)	Estimated Number Not Vested at Dec. 15, 2006	Approx. Average Exercise Price (Unvested)	Estimated Dollar Value of Unvested Stock Options If Accelerated
Joseph M. DeVivo	1,282,174	\$ 3.03	533,328	\$ 3.42	\$ 680,807
Michael D. Angel	300,000	\$ 3.42	218,750	\$ 3.42	280,000
Mario Martinez	250,000	\$ 3.58	190,626	\$ 3.60	210,501
Juan J. Soto	250,000	\$ 3.55	131,878	\$ 3.76	124,465
Darrin Uecker	400,000	\$ 3.85	201,004	\$ 3.76	189,132
Total	2,482,174		1,275,586		\$ 1,484,905
<i>Employment Offer Letters</i>					

In addition to the provisions described in the section entitled *Change of Control Agreements*, the employment offer letters with each of the RITA executive officers provide that, among other things, if the officer is terminated without cause and such termination is not related to an involuntary termination in connection with a change of control, as described above, he will be entitled to monthly severance payments equal to 1/12 of his annual base salary (as described above) and reimbursement for continued medical coverage until the earlier of (i) 12 months after his termination date (six months in the case of Messrs. Soto, Uecker and Martinez) or (ii) such time as he accepts a comparable offer of employment or consulting relationship.

In addition, under Mr. Soto's employment offer letter, in as much as Mr. Soto is employed by RITA at the time RITA entered into a change of control agreement with another company (i.e. the merger agreement) if within 180 days of executing such agreement Mr. Soto is involuntarily terminated without cause, as defined in his employment offer letter, and within 90 days after the date of such termination, Mr. Soto moves his residence from the U.S. to the U.K., then RITA or its successor will reimburse Mr. Soto for his relocation expense, not to exceed \$50,000.

Under the terms of Mr. DeVivo's employment offer letter, after a change in control, the options to purchase his initial option grant of 692,117 shares of RITA common stock will remain exercisable for up to 18 months following his termination of employment (but not later than 10 years from the date of grant).

***Indemnification; Directors and Officers Insurance***

Pursuant to the merger agreement, Angio will cause the surviving entity to indemnify RITA's directors and executive officers and to purchase such directors' and officers' liability insurance as described in the section entitled *The Merger Agreement-Indemnification* on page 78.

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### ***Equity Based Awards***

Stock options and existing warrants to purchase shares of RITA common stock held by RITA directors and executive officers will be converted into the right to acquire the same merger consideration as RITA stockholders upon exercise. All options to purchase shares of RITA common stock held by RITA directors under RITA's 2000 Director Stock Option Plan these options will become accelerated and vested in full immediately prior to the proposed merger. All options to purchase shares of RITA common shares held by executive officers will be accelerated pursuant to the terms of the change of control agreements described in the section entitled "Change of Control Agreements" or pursuant to the terms of the merger agreement described in the section entitled "Continued Benefits". In addition, the RITA board of directors may accelerate these options.

### ***Continued Benefits***

Angio has agreed to provide RITA's employees with welfare benefits until November 27, 2007 that are in the aggregate no less favorable than the welfare benefits they received prior to the effective time of the merger, to use commercially reasonable efforts to waive pre-existing condition limitations and provide service credit for benefits purposes. Following the effective time of the merger, employees of RITA will be eligible to receive stock options and other stock-based awards under plans of Angio and/or the surviving entity on the same basis as similarly situated Angio employees. In addition, if any employee of RITA is terminated by Angio for any reason other than cause prior to the six month anniversary of the effective time of the merger, each option to purchase RITA common stock outstanding and held by such terminated employee will become fully exercisable and vested and will remain exercisable for at least 90 days from the date such employee is terminated (but in no event will any option to purchase RITA common stock remain exercisable later than the expiration of its term).

### ***Appointment to Angio Board of Directors***

Pursuant to the merger agreement, Angio board of directors will take all necessary action so that, effective immediately following the completion of the merger, three directors who are currently directors of RITA, will be appointed to Angio board of directors. See "The Merger Agreement-Angio Board of Directors" on page 81.

### ***Opinion of Angio Financial Advisor***

Cain Brothers has acted as financial advisor to Angio in connection with the merger. On November 27, 2006, Cain Brothers delivered its oral opinion to the Angio board of directors, subsequently confirmed in its written opinion as of the same date, to the effect that, as of such date, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Cain Brothers, the merger consideration was fair, from a financial point of view, to Angio.

***The full text of Cain Brothers' written opinion, dated November 27, 2006 which discusses, among other things, the assumptions made, matters considered and limits of the review undertaken by Cain Brothers in connection with the opinion, is attached as Annex B to this joint proxy statement/prospectus. Angio stockholders are urged to read this opinion in its entirety. The following summary of the Cain Brothers opinion is qualified in its entirety by reference to the full text of the opinion.***

Pursuant to an engagement letter dated August 10, 2006, Angio retained Cain Brothers to act as its exclusive financial advisor in connection with the potential acquisition of RITA. In accordance with the terms of the engagement letter, Cain Brothers, at the board's request, delivered a written "fairness opinion" to the board of directors at a meeting of the board on November 27, 2006. In its letter, Cain Brothers, on the basis of its analyses and review and in reliance on the accuracy and completeness of the information furnished to it and subject to the limitations, qualifications and assumptions noted below and in the full text of its opinion, rendered its opinion to Angio's board of directors that, as of November 27, 2006, the merger consideration provided for in the merger agreement is fair, from a financial point of view, to Angio. The full text of Cain Brothers opinion, which is

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attached hereto as Annex B and incorporated herein by reference, sets forth a description of the procedures followed, assumptions made, matters considered, areas of reliance on others, and qualifications and limitations on the review undertaken in connection with the opinion.

Cain Brothers' opinion was prepared for the information and assistance of Angio's board of directors in connection with its consideration of the merger. Cain Brothers' opinion is limited to the fairness, from a financial point of view, to Angio, of the merger consideration that will be paid by Angio to RITA stockholders pursuant to the merger agreement. Cain Brothers' opinion does not address the relative merits of the merger contemplated by the merger agreement compared with other business strategies that may have been considered by Angio's management or board of directors. Cain Brothers' opinion also does not address the merits of the board's underlying decision to enter into the merger, and the opinion does not constitute a recommendation to the stockholders as to how they should vote at the Angio special meeting in connection with the merger. The summary description of the opinion set forth below is qualified in its entirety by the full text of such opinion, and such opinion should be read carefully and in its entirety in connection with this proxy statement. The opinion is attached hereto as Annex B.

In connection with its review of the merger and the preparation of its opinion, Cain Brothers, among other things:

Reviewed the merger agreement;

Reviewed certain publicly available business and financial information concerning RITA and Angio and the industries in which they operate;

Compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies Cain Brothers deemed relevant;

Compared the financial and operating performance of RITA and Angio with publicly available information concerning certain other companies Cain Brothers deemed relevant;

Reviewed the current and historical market prices of RITA common stock and Angio common stock and certain publicly traded securities of such other companies;

Reviewed certain internal financial analyses and forecasts prepared by the managements of RITA and Angio relating to their respective businesses, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the merger; and

Performed such other financial studies and analyses and considered such other information as Cain Brothers deemed appropriate for the purposes of this opinion.

In conducting its review and rendering its opinion, Cain Brothers held discussions with certain members of the management of RITA and Angio with respect to certain aspects of the merger, the past and current business operations of RITA and Angio, the financial condition and future prospects and operations of both companies, the effects of the merger on the financial condition and future prospects of Angio, and certain other matters Cain Brothers believed necessary or appropriate to its inquiry. With Angio's consent, Cain Brothers relied upon and assumed the accuracy and completeness of the information furnished to it by Angio or on its behalf. Also with Angio's consent, Cain Brothers did not attempt independently to verify such information, nor did Cain Brothers make or receive any evaluation or independent appraisal of Angio's assets or liabilities. At Angio's direction, Cain Brothers assumed that the financial projections supplied by Angio and RITA have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of their senior management of their future financial performance. Cain Brothers has discussed such projections and estimates, and the assumptions on which they were based, with Angio's senior management, and with their concurrence utilized publicly-available Wall Street consensus estimates in certain of its analyses, including the comparable public company and discounted cash flow analyses. Cain Brothers assumes no responsibility for and expresses no view as to any projections or estimates or the assumptions on which they were based.



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Cain Brothers has taken into account its assessment of general economic, financial, market and industry conditions as they existed on and could be evaluated as of November 27, 2006, as well as its experience in business valuations in general. Although subsequent developments may affect its opinion, Cain Brothers has no obligation to update, revise or reaffirm its opinion. Cain Brothers with Angio's consent has assumed that the merger will be consummated upon the terms set forth in the merger agreement without material alteration or waiver thereof. Cain Brothers is not a legal or tax advisor. With Angio's consent, Cain Brothers has relied upon its legal advisors and Angio's tax advisors as to all legal and tax matters relating to Angio and the merger. As set forth in its opinion, Cain Brothers has not ascribed value to Angio's potential ability to utilize RITA's federal or state net operating loss carryforwards.

Below is a summary of the material analyses performed by Cain Brothers and reviewed with Angio's board of directors in connection with the written opinion delivered on November 27, 2006. Except as described above, Angio imposed no instructions or limitations on Cain Brothers with respect to the investigations made or the procedures followed by Cain Brothers in rendering its opinion. The financial analyses summarized below include information presented in tabular format. In order to fully understand Cain Brothers' financial 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 analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Cain Brothers' financial analyses.

The value of the merger consideration to be received by RITA's stockholders under the merger agreement will be \$4.70 per share in stock and cash as long as Angio's stock price is between \$18.18 and \$27.29 per share at the time the merger closes, with the actual mix of stock and cash being based on the Angio stock price during the 10 trading days ending three trading days prior to RITA's stockholder meeting. The value of the merger consideration to be received by RITA's stockholders under the merger agreement will be less than \$4.70 per share if Angio's stock price is below \$18.18 per share during that time and it will exceed \$4.70 per share if Angio's stock price is above \$27.29 per share. Although Cain Brothers recognized that the merger consideration could have a value exceeding \$4.70 per share of RITA common stock, it based the analyses set forth below on the conditions existing at November 27, 2006, which would have yielded merger consideration of \$4.70 per share of RITA common stock. Cain Brothers therefore has not rendered any opinion as to whether merger consideration exceeding \$4.70 per share of RITA common stock would be fair to Angio from a financial point of view.

**Market Valuation of RITA***Stock Price History.*

Cain Brothers' analyses included a review of the historical daily high and low trading prices and historical daily trading volumes of RITA's common stock for two years ended November 21, 2006. The analysis indicated that the high and low trading prices of RITA's common stock for two years ended November 21, 2006 were \$4.63 and \$2.57 per share, respectively, and that the average closing prices of RITA's common stock for the 30- and 90-day periods ended November 21, 2006 were \$3.68 and \$3.41, respectively. The price per share of RITA common stock as of November 21, 2006 was \$3.90.

Cain Brothers calculated the trading history for RITA common stock over certain periods of time prior to the date of its fairness opinion, as set forth in the following table.

<b>Latest as of November 21, 2006</b>	<b>Closing Share Price</b>
30 Day Average	\$ 3.68
90 Day Average	\$ 3.41
180 Day Average	\$ 3.43
1 Year Average	\$ 3.71
2 Year High	\$ 4.63
2 Year Low	\$ 2.57

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Cain Brothers considered the degree to which the merger consideration of \$4.70 per share exceeds the closing share price of RITA common stock during these periods.

*Comparable Public Company Analysis.*

Cain Brothers' analyses included a review of certain publicly available financial and share price information for the following 15 publicly traded medical technology companies that Cain Brothers considered most comparable with RITA: Abiomed Inc., Align Technology Inc., BioSphere Medical Inc., Endologix Inc., ev3 Inc., Exactech Inc., Foxhollow Technologies Inc., ICU Medical Inc., Kensey Nash Corp., Micrus Endovascular Corp., Orthovita Inc., Possis Medical Inc., Spectranetics Corp., Vascular Solutions Inc. and Vnus Medical Technologies Inc. These companies are referred to below as the comparable public companies.

Financial data for the comparable public companies was based on closing stock prices on November 21, 2006. Estimated financial data for the comparable public companies were based on the most recent public filings and Wall Street consensus estimates compiled by Reuters Estimates.

Cain Brothers compared, using such publicly available information, the multiples of each comparable public company's total enterprise value (referred to in this document as TEV) to historical and projected financial statistics such as revenue, earnings before interest, taxes, depreciation and amortization (commonly referred to as EBITDA) and earnings per share (commonly referred to as EPS). TEV equals the company's fully diluted shares of common stock multiplied by the current price per share plus indebtedness minus the amount of cash on hand. The range of values in the table below represents the low and high valuation of the comparable public companies and the median value represents the median thereof. The analysis resulted in the following multiples as of November 21, 2006.

	Multiple Range		Mean Multiple	Median Multiple	Implied Multiple at \$4.70 / Share
TEV / LTM Revenue	1.2x	11.8x	4.7x	4.6x	4.4x
TEV / 2006E Revenue	1.2x	9.7x	4.3x	4.3x	4.2x
TEV / LTM EBITDA	9.4x	21.3x	14.5x	13.5x	NM
Price / 2006E EPS	21.2x	84.0x	43.4x	34.2x	NM

LTM = Latest Twelve Months; NM = Not Meaningful

Based on this analysis, Cain Brothers selected a range of multiples of LTM revenue of 3.5x to 4.5x for RITA, which implied a range of equity value per share of RITA common stock of \$3.76 to \$4.83, based on RITA's LTM revenues disclosed in public company filings of \$50.3 million and fully diluted shares of RITA common stock of 46.9 million using the treasury stock method basis. Cain Brothers selected a range of multiples of 2006E revenue of 3.2x to 4.1x for RITA, which implied a range of equity value per share of RITA common stock of \$3.59 to \$4.60, based on Wall Street consensus estimates of 2006 revenue for RITA of \$52.6 million and fully diluted shares of RITA common stock of 46.9 million, using the treasury stock method basis. These ranges of implied equity value per share were compared to the merger consideration for RITA of \$4.70 per share. Cain Brothers noted that RITA's implied multiple at the merger consideration of \$4.70 per share under the merger agreement falls within or approximates the multiple ranges of the comparable public companies.

*Comparable Transactions Analysis.*

Using publicly available information for transactions completed since January 1, 2004, Cain Brothers' analyses included a review of 14 transactions with transaction values below \$1 billion involving companies in the medical technology industry. These transactions are referred to below as the comparable transactions. The public filings by the parties to the comparable transactions disclose some if not all relevant financial data.

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Cain Brothers examined the following selected transactions (target/buyer):

TriPath Imaging, Inc. / Becton Dickinson & Company

Laserscope / American Medical Systems Holdings, Inc.

R2 Technology, Inc. / Hologic, Inc.

Suros Surgical Systems, Inc. / Hologic, Inc.

American Medical Instruments Holdings, Inc. / Angiotech Pharmaceuticals, Inc.

Animas Corporation / Johnson & Johnson

MEDTEC, Inc. / Roper Industries, Inc.

Micro Therapeutics, Inc. / ev3, Inc.

LuMend, Inc. / Cordis Corporation (Johnson & Johnson)

Floréane Medical Implants, S.A. / Tyco Healthcare Group

CLOSURE Medical Corporation / Johnson & Johnson

Proxima Therapeutics, Inc. / Cytoc Corporation

Endocardial Solutions, Inc. / St. Jude Medical, Inc.

Horizon Medical Products, Inc. / RITA Medical Systems, Inc.

Cain Brothers compared the relative performance of RITA to certain transaction multiples implied by the comparable transactions. In each comparable transaction, Cain Brothers calculated for each target company:

TEV as a multiple of LTM revenue;

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TEV as a multiple of LTM EBITDA; and

Equity Value as a multiple of LTM Net Income.

Cain Brothers compared, using such publicly available information, the multiples of each comparable transaction's TEV to historical financial statistics such as revenue and EBITDA, as well as Equity Value to historical net income. TEV equals the total purchase price paid by the buyer in the transaction including assumed indebtedness minus the amount of cash on hand of the target. The range of values in the table below represents the low and high valuation of the comparable transactions, the mean value represents the mean thereof and the median value represents the median thereof. The analysis resulted in the following multiples as of November 21, 2006.

	Multiple Range		Mean Multiple	Median Multiple	Implied Multiple at \$4.70 / Share
TEV / LTM Revenue	2.0x	9.7x	5.6x	5.2x	4.4x
TEV / LTM EBITDA	8.8x	27.8x	20.2x	22.9x	NM
Equity Value / LTM Net Income	29.3x	46.8x	38.4x	38.2x	NM

LTM = Latest Twelve Months; NM = Not Meaningful

Based on this analysis, Cain Brothers selected a range of multiples of LTM revenue of 4.5x to 5.5x for RITA, which implied a range of equity value per share of RITA common stock of \$4.83 to \$5.90, based on RITA LTM revenue of \$50.3 million and fully diluted shares of RITA common stock of 46.9 million using the treasury stock method basis. These ranges of implied equity value per share were compared to the merger consideration for RITA of \$4.70 per share. Cain Brothers noted that RITA's implied multiple at the merger consideration of \$4.70 per share under the merger agreement falls within the multiple ranges of the comparable transactions and is below the reference range selected by Cain Brothers.



**Table of Contents***Discounted Cash Flow Analysis Based on Revenue Exit Multiple.*

Cain Brothers performed a discounted cash flow analysis based on financial projections from Wall Street research reports for January 1, 2007 to December 31, 2010. The discounted cash flow analysis is based on the projected future unlevered free cash flows of RITA, after taking into consideration capital expenditures and working capital requirements. Cain Brothers calculated a range of terminal values as of December 31, 2010 using multiples of total enterprise value / revenue ranging from 4.5x to 5.5x, consistent with the multiples utilized in the comparable transactions analysis. The resulting cash flows were taxed at 37.0% and discounted back utilizing weighted average costs of capital (WACC) ranging from 15.5% to 17.5%. Based upon and subject to the foregoing, Cain Brothers' discounted cash flow analysis of RITA yielded a range of implied equity value per share values for RITA common stock from \$4.73 to \$6.19. In particular, Cain Brothers noted the following:

WACC	Implied Equity Value Per Share				
	Assumed Exit Multiple of 2010 Projected Revenue				
	4.50x	4.75x	5.00x	5.25x	5.50x
15.5%	\$ 5.08	\$ 5.35	\$ 5.63	\$ 5.91	\$ 6.19
16.5%	4.90	5.17	5.43	5.70	5.97
17.5%	4.73	4.99	5.25	5.50	5.76

*Discounted Cash Flow Analysis Based on EBITDA Exit Multiple.*

Cain Brothers performed a discounted cash flow analysis based on financial projections from Wall Street research reports for January 1, 2007 to December 31, 2010. The discounted cash flow analysis is based on the projected future unlevered free cash flows of RITA, after taking into consideration capital expenditures and working capital requirements. Cain Brothers calculated a range of terminal values as of December 31, 2010 using multiples of total enterprise value / EBITDA ranging from 16.0x to 18.0x, consistent with the multiples utilized in the comparable transactions analysis. The resulting cash flows were taxed at 37.0% and discounted back utilizing weighted average costs of capital (WACC) ranging from 15.5% to 17.5%. Based upon and subject to the foregoing, Cain Brothers' discounted cash flow analysis of RITA yielded a range of implied equity value per share values for RITA common stock from \$2.98 to \$3.59. In particular, Cain Brothers noted the following:

WACC	Implied Equity Value Per Share				
	Assumed Exit Multiple of 2010 Projected EBITDA				
	16.0x	16.5x	17.0x	17.5x	18.0x
15.5%	\$ 3.20	\$ 3.30	\$ 3.40	\$ 3.49	\$ 3.59
16.5%	3.09	3.18	3.28	3.37	3.46
17.5%	2.98	3.07	3.16	3.25	3.34

The discounted cash flow analyses of RITA do not necessarily indicate actual values or actual future results and do not purport to reflect the prices at which any of RITA securities may trade at the present or at any time in the future. The range of discount rates applied to RITA was based upon several factors, including Cain Brothers' knowledge of RITA and the industry in which it operates, the business risks associated with RITA and the overall interest rate environment as of November 27, 2006. Discounted cash flow analysis is a widely used valuation methodology, but the results of this methodology are highly dependent on the numerous assumptions that must be made, including earnings growth rates, terminal values and discount rates.

*Premiums Paid Analysis.*

In addition to the common valuation techniques discussed above, based on publicly available information, Cain Brothers compared the premiums represented by the merger consideration of \$4.70 per common share over the closing price per share of RITA common stock as of one day prior, one week, one month and three months prior to November 21, 2006, to the median and mean premiums paid for appropriate comparable publicly traded companies, in 21 selected transactions.

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Cain Brothers examined the following selected transactions (target/buyer):

Vision Systems Ltd. / Danaher Corporation

TriPath Imaging, Inc. / Becton Dickinson & Company

Encore Medical Corporation / Blackstone Capital Partners

Laserscope / American Medical Systems Holdings, Inc.

Animas Corporation / Johnson & Johnson

Compex Technologies, Inc. / Encore Medical Corporation

Bio-logic Corporation / Natus Medical, Inc.

Micro Therapeutics, Inc. / ev3, Inc.

Physiometrix, Inc. / Hospira, Inc.

CTI Molecular Imaging, Inc. / Siemens Medical Solutions USA, Inc.

CLOSURE Medical Corporation / Johnson & Johnson

ProCyte Corporation / PhotoMedex, Inc.

Innova LifeSciences Corporation / Sybron Dental Specialties, Inc.

Endocardial Solutions, Inc. / St. Jude Medical, Inc.

Profile Therapeutics plc / Respirationics, Inc.

Horizon Medical Products, Inc. / RITA Medical Systems, Inc.

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MedSource Technologies, Inc. / Accellent Corporation

Interpore International, Inc. / Biomet, Inc.

i-STAT Corporation / Abbott Laboratories

Radiometer AS / Danaher Corporation

Invivo Corporation / Intermagnetics General Corporation

The premiums paid analysis of public company takeovers resulted in:

	Premiums Paid				Implied Premium at \$4.70 / Share
	Range		Mean	Median	
1 Day	6.2%	120.8%	38.0%	34.6%	20.5%
1 Week	2.0%	133.1%	37.4%	28.7%	28.8%
1 Month	(2.8)%	149.7%	42.4%	40.4%	24.0%
3 Months	(4.8)%	169.7%	45.8%	42.9%	47.8%

Based on this analysis, Cain Brothers selected the mean and median premiums paid to RITA common stock for each time period, which implied a range of equity value per share of RITA common stock of \$4.54 to \$5.40. These ranges of implied equity value per share were compared to the merger consideration for RITA of \$4.70 per share. Cain Brothers noted that RITA's implied premium at the merger consideration of \$4.70 per share under the merger agreement falls within the premium ranges of the comparable transactions.

### *Contribution Analysis.*

Cain Brothers reviewed specific historical and estimated future operating and financial information including, among other things, revenue, gross profit, operating income, net income and total assets for RITA and

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Angio. Cain Brothers analyzed the relative estimated contributions of RITA and Angio to the combined company

following consummation of the transaction and compared the results of such analysis to the illustrative pro forma percentage ownership of the RITA stockholders in the combined company as of November 27, 2006 equal to 34.5%. The following table presents the results of this analysis:

	<b>RITA Contribution</b>
Revenue 2006A	39.1%
Revenue 2007E	35.6%
Revenue 2008E	36.4%
Gross Profit 2006A	29.4%
Gross Profit 2007E	38.0%
Gross Profit 2008E	38.7%
Operating Income 2006A	NM
Operating Income 2007E	15.5%
Operating Income 2008E	31.0%
Net Income 2006A	NM
Net Income 2007E	12.3%
Net Income 2008E	32.9%
Total Assets 2006A	49.9%
Total Assets 2007E	46.5%
Total Assets 2008E	43.8%

NM = Not Meaningful

*General.*

While the foregoing summary describes the analyses and examinations that Cain Brothers deemed material in arriving at its opinion, the summary does not purport to be a comprehensive description of all analyses and examinations actually conducted by Cain Brothers in connection with its review of the merger and the preparation of its opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, necessarily is not susceptible to partial analysis or summary description. Selecting portions of the analyses and of the factors considered by Cain Brothers, without considering all analyses and factors, would create an incomplete view of the process underlying the analyses set forth in the presentation of Cain Brothers to Angio's board of directors on November 27, 2006. In addition, the preparation of a fairness opinion does not involve a mathematical evaluation or weighing of the results of the individual analyses performed, but requires Cain Brothers to exercise its professional judgment, based on its experience and expertise in considering a wide variety of analyses taken as a whole. Each of the analyses conducted by Cain Brothers with its review of the merger and the preparation of its opinion was carried out in order to provide a different perspective on the transaction and to add to the total mix of information available. In preparing its opinion, Cain Brothers may have given some analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions. Accordingly, the ranges of valuations resulting from any particular analysis described above should not be taken to be Cain Brothers' view of the actual value of RITA. To the contrary, Cain Brothers has expressed no opinion on the actual value of RITA, and its opinion extends only to its belief the merger consideration of up to \$4.70 per share of RITA common stock is fair, from a financial point of view, to Angio.

In performing its analyses, Cain Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Angio and Cain Brothers. The analyses performed by Cain Brothers are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those suggested by such

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analyses. The analyses do not purport to be an appraisal or to reflect the prices at which RITA might actually be sold or the prices at which any of RITA securities may trade at any time in the future. Cain Brothers used in its analyses various projections of future performance prepared by Wall Street research estimates. The projections are based on numerous variables and assumptions which are inherently unpredictable and must be considered not

certain or accurate as projected. Accordingly, actual results of these analyses are subject to substantial uncertainty and could vary significantly from those set forth in such projections.

The merger consideration was determined through negotiation between the parties to the merger agreement and the decision to enter into the merger was solely that of Angio's board of directors. As described above, the opinion of Cain Brothers delivered to the Angio board of directors on November 27, 2006 and the accompanying presentation to the board of directors summarized above were among the many factors taken into consideration by the board of directors in making its determination to adopt the merger agreement and the merger, and to recommend the issuance of Angio common stock pursuant to the merger to Angio's stockholders. Cain Brothers does not make any recommendation to Angio stockholders (or to any other person or entity) as to whether Angio's stockholders should vote for or against the issuance of shares pursuant to the merger.

Cain Brothers was selected by the Angio board of directors to render a fairness opinion in connection with the transaction because of Cain Brothers' reputation and expertise as a health care investment banking firm. Cain Brothers, as part of its investment banking business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, private placements and valuations for estate, corporate and other purposes.

Pursuant to the engagement letter with Cain Brothers, Angio agreed to pay Cain Brothers: (i) a transaction fee upon the successful close of a merger transaction of \$1,600,000; and (ii) an additional \$150,000 upon the rendering of its written fairness opinion to the board of directors.

In addition to any fees for professional services, Angio has agreed to reimburse Cain Brothers, upon request, for certain reasonable out-of-pocket expenses incurred in connection with Cain Brothers carrying out the terms of the engagement letter. Angio has also agreed to indemnify Cain Brothers, to the fullest extent permitted by law or equity, against claims related to (i) the use of information provided to Cain Brothers by Angio or its agents, representatives and advisors, (ii) any of the services rendered pursuant to the engagement letter or (iii) matters which are the subject of, or arise out of, the engagement of Cain Brothers contemplated by the engagement letter, including liabilities under the federal securities laws.

The foregoing summary does not purport to be a complete description of the analyses performed by Cain Brothers or the terms of its engagement by Angio. The foregoing summary of the analyses performed by Cain Brothers is qualified in its entirety by reference to the opinion of Cain Brothers attached hereto as Annex B.

### **Opinion of RITA's Financial Advisor**

RITA's board of directors retained Piper Jaffray to act as its financial advisor, and if requested, to render an opinion to it as to the fairness, from a financial point of view, of the consideration to be paid to the holders of RITA common stock in connection with the proposed merger. On November 27, 2006, Piper Jaffray delivered to the RITA board of directors an oral opinion, which was subsequently confirmed by delivery of a written opinion dated November 27, 2006, to the effect that, as of November 27, 2006, and, based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken, as set forth in its written opinion, the proposed merger consideration to be paid to the holders of the shares of RITA common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to the holders of RITA common stock.

*The full text of the Piper Jaffray written opinion dated November 27, 2006, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the*

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*review undertaken by Piper Jaffray in rendering its opinion, is attached as Annex C to this joint proxy statement/prospectus and is incorporated in its entirety herein by reference. You are urged to, and should, carefully read the Piper Jaffray opinion in its entirety. The Piper Jaffray opinion addresses only the fairness, from a financial point of view and as of the date of the opinion, of the consideration to be paid to holders of RITA's common stock pursuant to the merger agreement in connection with the proposed merger. The Piper Jaffray opinion was directed to RITA's board of directors and was not intended to be, and does not constitute, a recommendation to any RITA stockholder as to how any stockholder should vote on, or take any action with respect to, the merger or any related matter.*

In arriving at its opinion, Piper Jaffray, among other things, reviewed:

the financial terms of the draft of the merger agreement dated November 27, 2006;

certain publicly available financial, business and operating information relating to RITA and Angio;

to the extent publicly available, information concerning selected transactions deemed comparable to the proposed merger;

certain internal financial, business and operating information of RITA prepared and furnished to Piper Jaffray by RITA's management;

certain internal financial, business and operating information of Angio prepared and furnished to Piper Jaffray by Angio's management;

certain internal financial projections for RITA on a stand-alone basis and as a combined company with Angio, which were prepared for internal planning purposes and furnished to Piper Jaffray by the managements of RITA and Angio;

certain internal financial projections for Angio on a stand-alone basis and as a combined company with RITA, which were prepared for internal planning purposes and furnished to Piper Jaffray by the management of Angio;

certain publicly available market and securities data for RITA and Angio;

certain financial, market performance and other data of certain publicly held companies deemed relevant; and

other information, financial studies, analyses and investigations and other factors that Piper Jaffray deemed relevant for the purpose of rendering its opinion.

Piper Jaffray also conducted discussions with members of the senior management of RITA and Angio and with members of the board of directors of RITA concerning the financial condition, historical and current operating results, business and prospects for each of RITA and Angio on a stand-alone basis and as a combined company following the proposed merger.

The following is a summary of the material financial analyses performed by Piper Jaffray in connection with the preparation of its fairness opinion, which analyses were delivered to RITA's board of directors at a meeting of the board on November 26, 2006. The preparation of analyses and a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, this summary does not purport to be a complete description of the analyses performed by Piper Jaffray.

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This summary includes information presented in tabular format, which tables must be read together with the text of each analysis summary, and considered as a whole, in order to fully understand the financial analyses presented by Piper Jaffray. The tables alone do not constitute a complete summary of the financial analyses. The order in which these analyses are presented below, and the results of those analyses, should not be taken as any indication of the relative importance or weight given to these analyses by Piper Jaffray or the board of directors.

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Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before November 24, 2006, and is not necessarily indicative of current market conditions.

**Transaction Overview**

Based upon the closing market price of Angio common stock of \$22.01 per share on November 24, 2006, and based upon the 0.1722 exchange ratio, plus the cash consideration to be received, in each case as set forth in the merger agreement, Piper Jaffray noted that the implied merger consideration for RITA is \$4.70 per share within a range of Angio prices of \$18.18 to \$27.29 per share. Based upon this implied merger consideration of \$4.70 per share, RITA's diluted shares outstanding (calculated using the treasury stock method basis) are approximately 46.9 million. As of September 30, 2006, RITA had \$9.7 million of convertible debt outstanding, and approximately \$6.4 million of cash. Piper Jaffray noted that the proposed merger consideration implies an equity value of approximately \$220 million, and an enterprise value of approximately \$224 million for RITA.

**Contribution Analysis**

Piper Jaffray performed a contribution analysis based on (1) historical results of RITA and Angio for the latest twelve months, or LTM, period ended September 30, 2006 and (2) RITA's and Angio's management projections for the calendar ending December 31, 2007. Piper Jaffray calculated RITA's contribution to RITA and Angio on a combined basis following the proposed merger, without taking into account any synergies in connection with the merger. The following table summarizes the results:

36.1% to 37.9% when calculated using LTM and projected 2007 revenues

37.4% to 38.6% when calculated using LTM and projected 2007 gross profit

-50.6% to 8.8% when calculated using LTM and projected 2007 operating income

-80.8% to 6.1% when calculated using LTM and projected 2007 net income

**Exchange Ratio Analysis**

Piper Jaffray reviewed the historical stock market performance of RITA common stock and Angio common stock in relation to each other and reviewed the relative exchange ratios implied by those relative trading values during the past two years. In addition, Piper Jaffray compared the merger agreement exchange ratio of 0.1722 to the average exchange ratios over certain specified time periods. The following table summarizes the results of this analysis:

Merger Agreement Exchange Ratio	0.1722x
Current	0.1817x
30 Day Average	0.1712x
60 Day Average	0.1617x
90 Day Average	0.1684x
180 Day Average	0.1558x
1 Year Average	0.1539x
2 Year Average	0.1591x



**Table of Contents****ANALYSIS OF RITA*****Historical Trading Analysis***

Piper Jaffray reviewed historical trading prices of RITA common stock over the past year, and compared these prices to the implied merger consideration of \$4.70 per share based on the closing market price of Angio common stock on November 24, 2006 of \$22.01 per share. The following table summarizes the results of this analysis:

Implied Merger Consideration	\$ 4.70
Current	\$ 4.00
52-Week Low	\$ 3.11
52-Week High	\$ 4.63
30-Day Average	\$ 3.69
60-Day Average	\$ 3.45
90-Day Average	\$ 3.40
180-Day Average	\$ 3.57

***Comparable Company Analysis***

Using publicly available information, Piper Jaffray compared certain financial, operating and stock market data of RITA to corresponding data of the following selected public medical technology companies.

- Abaxis Inc.
- Abiomed Inc.
- AngioDynamics Inc.
- Biolase Technology Inc.
- Cutera Inc.
- Endocare Inc.
- Kensey Nash Corp.
- Natus Medical Inc.
- Orasure Technologies Inc.

- Orthovita Inc.
  
- Possis Medical Inc.
  
- Spectranetics Corp.
  
- Third Wave Technologies Inc.
  
- Vascular Solutions Inc.
  
- Volcano Corp.

Using publicly available information for these comparable companies and closing stock prices on November 24, 2006, Piper Jaffray calculated the ratio of enterprise value to revenues for calendar years 2006 and 2007. Piper Jaffray noted that since RITA is not projected to be profitable for CY 2006, and is projected to be slightly profitable for CY 2007, according to RITA's management projections, it was not meaningful to analyze comparable company multiples for financial metrics other than revenue. Piper Jaffray compared these multiples of comparable companies to the multiples to the corresponding multiples of RITA based on (i) RITA's enterprise value/stock price as of November 24, 2006 and (ii) RITA's enterprise value at an implied merger consideration of \$4.70 per share, based on the closing price of Angio common stock on November 24, 2006 and the proposed

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exchange ratio of 0.1722 and the corresponding cash merger consideration based on such closing price of Angio common stock. For the purpose of this comparison, (i) Piper Jaffray used RITA's management's projections for the forecasted periods and (ii) enterprise value was calculated as equity value plus interest-bearing debt, minus cash and marketable securities. Piper Jaffray noted that the comparable company analysis does not take into account any acquisition or control premium. The following table summarizes the results of this analysis.

<b>Comparable Companies</b>	<b>Range</b>	<b>Median</b>	<b>Mean</b>	<b>RITA @ \$4.70</b>
Enterprise Value/CY 2006 Revenues	1.60x-6.98x	4.02x	4.28x	4.28x
Enterprise Value/CY 2007 Revenues	1.31x-5.80x	3.06x	3.43x	3.30x

Piper Jaffray also calculated implied prices per share for RITA based on the range of multiples for the comparable companies. Piper Jaffray obtained these values by calculating enterprise values using the corresponding multiples, then subtracting debt and adding cash to obtain implied equity values. Then Piper Jaffray divided by the diluted shares (using treasury stock method basis) to obtain per share values. The following table summarizes the results of this analysis:

<b>Comparable Companies</b>	<b>Range</b>	<b>Median</b>	<b>Mean</b>	<b>RITA @ \$4.70</b>
Enterprise Value/CY 2006 Revenues	\$ 1.82-\$7.30	\$ 4.45	\$ 4.70	\$ 4.70
Enterprise Value/CY 2007 Revenues	\$ 1.95-\$7.82	\$ 4.40	\$ 4.86	\$ 4.70

No company included in the comparable company analysis is identical to RITA. Accordingly, an analysis of the results of such a comparison is not purely mathematical, but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the selected companies and other factors that could affect the public trading value of the selected companies.

**Comparable Transactions Analysis**

Piper Jaffray reviewed the financial terms of the following representative acquisition transactions in the medical technology industry since 2001, to the extent those terms were publicly available. The transactions Piper Jaffray reviewed included:

**Acquiring Company**

Danaher Corp.  
Becton Dickinson & Co.  
Johnson & Johnson  
Duramed Pharmaceuticals, Inc.  
Natus Medical Inc.  
Beckman Coulter Inc.  
Siemens AG  
Cochlear Ltd.  
Johnson & Johnson  
Integra LifeSciences Holding Corp.  
St. Jude Medical Inc.  
Encore Medical Corp.  
RITA Medical Systems, Inc.  
Biomet Inc.  
Intermagnetics General Corp.  
Abbott Laboratories  
Stryker Corp.  
Smith & Nephew PLC

**Target Company**

Vision Systems Ltd.  
TriPath Imaging Inc.  
Animas Corp.  
FEI Women's Health LLC  
Bio-Logic Systems Corp.  
Diagnostic Systems Labs  
CTI Molecular Imaging, Inc.  
Entific Medical Systems  
Closure Medical Corp.  
Newdeal Technologies  
Endocardial Solutions Inc.  
EMPI, Inc.  
Horizon Medical Products Inc.  
Interpore International, Inc.  
Invivo Corp.  
i-STAT Corp.  
Surgical Dynamics, Inc.  
Oratec Interventions Inc.

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Piper Jaffray reviewed the enterprise values paid in the selected transactions as a multiple of LTM revenues and forward twelve months, or FTM revenues. The enterprise value was calculated as equity value plus interest-bearing debt, minus cash and marketable securities. Piper Jaffray compared the multiples derived from the selected transactions to RITA's enterprise value to LTM and FTM revenues, based on the proposed merger consideration of \$4.70 per share assuming an Angio common stock price of \$22.01 per share. Piper Jaffray used RITA's revenues for the 12 months ended September 30, 2006 as the LTM period, and projected 12 months ending September 30, 2007 as the FTM period. The results of this analysis are summarized in the table below.

<b>Comparable Transactions</b>	<b>Range</b>	<b>Median</b>	<b>Mean</b>	<b>RITA @ \$4.70</b>
Enterprise Value/LTM Revenues	1.63x-9.18x	4.08x	4.29x	4.44x
Enterprise Value/FTM Revenues	1.44x-7.67x	3.44x	3.58x	3.57x

Piper Jaffray also calculated implied prices per share for RITA common stock based on the range of multiples for the transactions analyzed.

Piper Jaffray obtained these values by calculating enterprise values using the corresponding multiples, then subtracting debt and adding cash to obtain implied equity values. Then Piper Jaffray divided by the diluted shares (using treasury stock method basis) to obtain per share values. The following table summarizes the results of this analysis:

<b>Comparable Transactions</b>	<b>Range</b>	<b>Median</b>	<b>Mean</b>	<b>RITA @ \$4.70</b>
Enterprise Value/LTM Revenues	\$ 1.79-\$9.10	\$ 4.36	\$ 4.56	\$ 4.70
Enterprise Value/FTM Revenues	\$ 1.97-\$9.43	\$ 4.55	\$ 4.70	\$ 4.70

No transaction included in the comparable transactions analysis is identical to the proposed merger. Accordingly, an analysis of the results of such a comparison is not purely mathematical, but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the selected transactions and other factors that could affect the acquisition value of the selected transactions.

**Table of Contents****Premiums Paid Analysis**

Piper Jaffray reviewed the premiums paid of representative public company acquisition transactions since 2001, to the extent these were publicly available. The transactions that Piper Jaffray analyzed were as follows:

**Acquiring Company**

Johnson & Johnson  
 Ventana Medical Systems Inc.  
 Blackstone Capital  
 American Medical Systems Holdings Inc.  
 Siemens AG  
 Johnson & Johnson  
 Encore Medical Corp.  
 St. Jude Medical Inc.  
 Mediscis Pharmaceutical Corp.  
 Siemens AG  
 Johnson & Johnson  
 Johnson & Johnson  
 Carl Zeiss & EQT  
 Advanced Medical Optics Inc.  
 St. Jude Medical Inc.  
 Cooper Companies Inc.  
 Cardinal Health Inc.  
 UTI Corporation  
 Biomet Inc.  
 Abbott Laboratories  
 Intermagnetics General Corp.  
 Abbott Laboratories  
 Zimmer Holdings Inc.  
 Roche Holdings, Inc.  
 General Electric Co.  
 St. Jude Medical Inc.  
 Baxter International Inc.  
 Smith & Nephew PLC  
 Medtronic Inc.  
 GE Medical Systems

**Target Company**

Conor Medsystems Inc.  
 Vision Systems Ltd.  
 Encore Medical Corp.  
 Laserscope  
 Diagnostic Products Corp.  
 Animas Corp.  
 Compex Technologies Inc.  
 Advanced Neuromodulation Systems Inc.  
 Inamed Corp.  
 CTI Molecular Imaging, Inc.  
 Closure Medical Corp.  
 Guidant Corp.  
 Sola International, Inc.  
 VISX Inc.  
 Endocardial Solutions Inc.  
 Ocular Sciences Inc.  
 ALARIS Medical Systems Inc.  
 MedSource Technologies Inc.  
 Interpore International, Inc.  
 TheraSense Inc.  
 Invivo Corp.  
 i-STAT Corp.  
 Centerpulse Ltd.  
 Disetronic Holding AG  
 Instrumentarium Corp.  
 Getz Brothers & Co.  
 Fusion Medical Technologies, Inc.  
 Oratec Interventions Inc.  
 VidaMed, Inc.  
 Imatron, Inc.

Piper Jaffray reviewed the premium of the offer price over the trading prices one week and four weeks prior to announcement, as well as the offer price over the 52-week high trading price for the target company. Piper Jaffray noted that for some of the transactions, the buyer listed in the table was not the ultimate buyer of the target, but rather was the initial bidder for the target company, to which the relevant premiums apply. Piper Jaffray compared the premiums to the implied price of \$4.70 per share for RITA common stock over the trading prices of RITA common stock one week and four weeks prior, and over the 52-week high trading price of RITA common stock. The following table summarizes the results of this analysis:

Selected Public Company Transactions	Range	Median	Mean	RITA @ \$4.70
1-Week Premium to Merger Price	3.1%-75.1%	27.8%	31.4%	22.7%
4-Week Premium to Merger Price	1.1%-69.7%	29.3%	32.2%	26.0%
Premium to 52-Week High	(29.6)%-39.7%	3.0%	3.9%	1.5%

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Piper Jaffray also calculated implied prices per share for RITA common stock based on the range of premiums for the transactions analyzed. The following table summarizes the results of this analysis:

Comparable Transactions	Range	Median	Mean	RITA @ \$4.70
1-Week Premium	\$ 3.95-\$6.71	\$ 4.90	\$ 5.03	\$ 4.70
4-Weeks Premium	\$ 3.77-\$6.33	\$ 4.82	\$ 4.93	\$ 4.70
52-Week High	\$ 3.26-\$6.47	\$ 4.77	\$ 4.81	\$ 4.70

No transaction included in the premiums analysis is identical to the proposed merger. Accordingly, an analysis of the results of such a comparison is not purely mathematical, but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the selected transactions and other factors that could affect the premiums of the selected transactions.

**Discounted Cash Flows Analysis**

Piper Jaffray analyzed the projected discounted cash flows for RITA for CY 2007 through CY 2011 on a stand-alone basis. Piper Jaffray based its analysis on projections for RITA provided by RITA management for earnings before interest and taxes, or EBIT, earnings before interest, taxes, depreciation and amortization and expenses, or EBITDA, depreciation and amortization, SFAS123R expenses, capital expenditures, working capital, and tax rates. Piper Jaffray also incorporated RITA's federal net operating loss carryforwards, or NOLs, of \$111 million, per RITA management, to offset the taxable EBIT. Piper Jaffray's analysis used discount rates ranging from 18% to 24%, and terminal EBITDA exit multiples of 8.0x to 10.0x in 2011 to discount the cash flows and arrive at an enterprise value. Piper Jaffray then subtracted interest-bearing debt and added cash and marketable securities to arrive at an implied equity value. Piper Jaffray then divided the equity value by RITA's diluted shares (calculated using the treasury stock method basis) to obtain an implied equity value per share. The following table summarizes the ranges of enterprise value, equity value and per share equity values that resulted from this analysis:

Enterprise Value (\$ thousands)	\$201,267 to \$305,597
Equity Value (\$ thousands)	\$198,001 to \$302,331
Per Share Equity Value	\$4.29 to \$6.22

**ANALYSIS OF ANGIO****Historical Trading Analysis**

Piper Jaffray reviewed historical trading prices of Angio common stock over the past year. The following table summarizes the results of this analysis:

Current	\$ 22.01
52-Week Low	\$ 15.50
52-Week High	\$ 31.07
30-Day Average	\$ 22.08
60-Day Average	\$ 20.77
90-Day Average	\$ 20.77
180-Day Average	\$ 24.05

**Table of Contents*****Comparable Company Analysis***

Piper Jaffray compared certain financial, operating and stock market data of Angio to corresponding data of the following selected public medical technology companies. The following companies were used for the analysis:

- Abaxis Inc.
- Cutera Inc.
- Kensey Nash Corp.
- Lifecell Corp.
- Natus Medical Inc.
- Neurometrix, Inc.
- Orasure Technologies, Inc.

Using publicly available information for these comparable companies and closing stock prices on November 24, 2006, Piper Jaffray calculated the ratio of enterprise value to LTM EBITDA and equity value over net income for calendar years 2006 and 2007. Piper Jaffray compared these multiples of comparable companies to the multiples to the corresponding multiples of Angio based on (i) Angio's enterprise value and equity value as of November 24, 2006. For the purpose of this comparison, (i) Piper Jaffray used Angio's management's projections for the forecasted periods and (ii) enterprise value was calculated as equity value plus interest-bearing debt, minus cash and marketable securities. Piper Jaffray noted that the comparable company analysis does not take into account any acquisition or control premium. The following table summarizes the results of this analysis.

<b>Comparable Companies</b>	<b>Range</b>	<b>Median</b>	<b>Mean</b>	<b>Angio 11/24/06</b>
Enterprise Value/LTM EBITDA	18.0x-49.2x	22.9x	25.7x	19.4x
Equity Value/2006 Net Income	27.3x-47.9x	42.2x	40.6x	38.4x
Equity Value/2007 Net Income	19.9x-35.1x	30.4x	29.5x	29.6x

No company included in the comparable company analysis is identical to Angio. Accordingly, an analysis of the results of such a comparison is not purely mathematical, but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the selected companies and other factors that could affect the public trading value of the selected companies.

***Discounted Cash Flows Analysis***

Piper Jaffray analyzed the projected discounted cash flows for Angio for FY 2007 through FY 2011 on a stand-alone basis. Piper Jaffray based its analysis on projections for Angio provided by Angio management for earnings before interest and taxes (EBIT), earnings before interest, taxes, depreciation and amortization and SFAS123R expenses (EBITDA), depreciation and amortization, SFAS123R expenses, capital expenditures, working capital, and tax rates. Piper Jaffray's analysis used discount rates ranging from 16% to 20%, and terminal EBITDA exit multiples of 9.0x to 11.0x in 2011 to discount the cash flows and arrive at an enterprise value. Piper Jaffray then subtracted interest-bearing debt and added cash and marketable securities to arrive at an implied equity value. Piper Jaffray then divided the equity value by Angio's diluted shares (calculated using the treasury stock method basis) to obtain an implied equity value per share. The following table summarizes the ranges

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of enterprise value, equity value and per share equity values that resulted from this analysis:

Enterprise Value (\$ thousands)	\$ 489,421 to \$676,831
Equity Value (\$ thousands)	\$ 575,918 to \$763,328
Per Share Equity Value	\$34.91 to \$45.86



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Although the summary set forth above does not purport to be a complete description of the analyses performed by Piper Jaffray, the material analyses performed by Piper Jaffray in rendering its opinion have been summarized above. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Piper Jaffray believes that its analyses and the summary set forth above must be considered as a whole and that selecting portions of its analyses or of the summary, without considering the analyses as a whole or all of the factors included in its analyses, would create an incomplete view of the processes underlying the analyses set forth in the Piper Jaffray opinion. In arriving at its opinion, Piper Jaffray considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Instead Piper Jaffray made its determination as to the fairness on the basis of its experience and financial judgment after considering the results of all of its analyses. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that this analysis was given greater weight than any other analysis. No company or transaction used in the above analyses as a comparison is directly comparable to RITA, Angio or the proposed merger.

The analyses were prepared solely for purposes of Piper Jaffray providing its opinion to the RITA board of directors that the consideration to be received by the holders of RITA common stock in connection with the proposed merger, was fair, from a financial point of view, to the holders of RITA common stock as of the date of the opinion. These analyses do not purport to be appraisals or to reflect the prices at which RITA might actually be sold or the prices at which any securities of RITA or Angio may trade at the present time or at any time in the future. In performing its analyses, Piper Jaffray made numerous assumptions with respect to industry performance, general business and economic conditions and other matters. The analyses performed by Piper Jaffray are based upon forecasts by the respective managements of RITA and Angio of future results, which are not necessarily indicative of actual values or actual future results and may be significantly more or less favorable than suggested by these analyses. These analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors. Piper Jaffray does not assume responsibility if future results are materially different from those forecasted.

The above summary does not purport to be a complete description of the analyses performed by Piper Jaffray in connection with the opinion and is qualified by reference to the written opinion of Piper Jaffray set forth in Annex C.

Piper Jaffray relied upon and assumed the accuracy, completeness and fairness of the financial, accounting and other information provided to it by RITA or Angio or otherwise made available to it, and did not assume the responsibility to independently verify this information. Each of RITA and Angio have advised Piper Jaffray that it does not publicly disclose internal financial information of the type provided to Piper Jaffray and that such information was prepared for financial planning purposes and not with the expectation of public disclosure. Piper Jaffray also assumed, in reliance upon the assurances of the respective managements of RITA and Angio, that the information provided to Piper Jaffray by them was prepared on a reasonable basis in accordance with industry practice and, with respect to financial forecasts, projections and other estimates and other business outlook information, reflected the best currently available estimates and judgments of the respective managements of RITA and Angio, is based on reasonable assumptions, and that there is not, and the respective managements of RITA and Angio was not aware of, any information or facts that would make the information provided to Piper Jaffray incomplete or misleading. Piper Jaffray expresses no opinion as to such financial forecasts, projections and other estimates and other business outlook information or the assumptions on which they are based. Without limiting the generality of the foregoing, for purposes of its opinion, Piper Jaffray assumed that neither RITA nor Angio was a party to any material pending transaction, including any external financing, recapitalization, acquisition or merger, divestiture or spinoff, other than the proposed merger. Piper Jaffray relied, with RITA's consent, on advice of the outside counsel and the independent accountants to RITA and Angio, and on the assumptions of the respective managements of RITA and Angio, as to all accounting, legal, tax and financial reporting matters with respect to RITA, Angio and the proposed merger.

Piper Jaffray assumed that the final form of the merger agreement would be in all material respects identical to the last draft reviewed by Piper Jaffray, without modification of material terms by RITA, Angio or any other

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party thereto. Piper Jaffray also assumed that the merger would be completed on the terms set forth in the merger agreement reviewed by Piper Jaffray, without amendments and with full satisfaction of all covenants and conditions without any waiver. Without limiting the foregoing, Piper Jaffray assumed that the merger would qualify for U.S. Federal tax purposes as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended. In addition, Piper Jaffray assumed that all necessary regulatory approvals and consents required for the merger will be obtained in a manner that will not adversely affect RITA, Angio or the estimated benefits to be derived in the proposed merger, and that will not affect the terms of the merger. Piper Jaffray expressed no opinion regarding whether the necessary approvals or other conditions to the consummation of the merger will be obtained or satisfied.

Piper Jaffray did not assume responsibility for performing, and did not perform, any appraisals or valuations of any specific assets or liabilities (fixed, contingent or otherwise) of RITA or Angio, and was not furnished with any such appraisals or valuations. Piper Jaffray expresses no opinion regarding the liquidation value of any entity. Without limiting the generality of the foregoing, Piper Jaffray did not undertake any independent analysis of any outstanding, pending or threatened litigation, regulatory action, possible unasserted claims or other contingent liabilities to which RITA, Angio or any of their respective affiliates is a party or may be subject. At the direction of RITA's board of directors, and with its consent, Piper Jaffray's opinion made no assumption concerning, and therefore did not consider, the potential effects of litigation, claims, investigations, or possible assertions of claims, or the outcomes or damages arising out of any such matters.

Piper Jaffray's opinion was necessarily based on the information available to it, economic, market and foreign exchange conditions and other facts and circumstances as they existed and were subject to evaluation as of the date of its opinion; events occurring after the date of the opinion could materially affect the assumptions used by Piper Jaffray in preparing its opinion. Piper Jaffray expresses no opinion as to the prices at which shares of RITA or Angio common stock have traded or may trade following announcement of the proposed merger or at any other time. Piper Jaffray has not undertaken and is not obligated to update, reaffirm or revise its opinion or otherwise comment on any events occurring after the date it was given.

In connection with its engagement, Piper Jaffray was requested to and did solicit indications of interest from, and hold discussions with, selected third parties regarding the possible acquisition of all or part of RITA. While Piper Jaffray rendered its opinion and provided certain analyses to RITA's board of directors, Piper Jaffray was not requested to, and did not make, any recommendation to the RITA board of directors as to the specific form or amount of the consideration to be received by holders of RITA common stock in the proposed merger, which was determined through negotiations between RITA and Angio. Piper Jaffray was not requested to opine as to, and the opinion does not address, the basic business decision to proceed with or effect the merger or the structure thereof, or the relative merits of the merger compared to any alternative business strategy or transaction that may be available to RITA.

RITA's board of directors selected Piper Jaffray to render its fairness opinion in connection with the proposed merger on the basis of its experience and reputation in acting as a financial advisor in connection with mergers and acquisitions. Piper Jaffray and its affiliates in the ordinary course of their business may actively trade securities of RITA and Angio for its own account or the accounts of its customers and, accordingly, may at any time hold long or short positions in these securities.

Piper Jaffray acted as financial advisor to RITA in connection with the merger and will receive a fee from RITA for its services, a substantial portion of which is contingent upon the consummation of the merger, pursuant to RITA's engagement letter with Piper Jaffray. Pursuant to this engagement letter, RITA has agreed to pay Piper Jaffray a fee for providing the opinion that is not contingent upon consummation of the merger, and a portion of which will be credited against the fee for financial advisory services. Whether or not the proposed merger is consummated, RITA has also agreed to reimburse Piper Jaffray for its reasonable out-of-pocket expenses and to indemnify it against certain liabilities relating to or arising out of services performed by Piper Jaffray in rendering its opinion to RITA's board of directors.

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**Regulatory Approvals Required for the Merger**

***United States Antitrust***

The merger is subject to review by the Antitrust Division of the U.S. Department of Justice, or the Antitrust Division, and the U.S. Federal Trade Commission, or the FTC, under the HSR Act. Under the HSR Act, Angio and RITA are required to make pre-merger notification filings and to await the expiration or early termination of the statutory waiting period prior to completing the merger. Angio and RITA each expect to file a Premerger Notification and Report Form with the Antitrust Division and the FTC on or about December 11, 2006.

We cannot be certain that the governmental reviewing authorities will terminate the applicable statutory waiting periods or clear the merger at all or without restrictions or conditions that would have a material adverse effect on the combined company if the merger is completed. These restrictions and conditions could include the grant of a complete or partial license, or the divestiture, spin-off or the holding separate of assets or businesses, to the extent not material to the businesses.

In addition, during or after the statutory waiting period and clearance of the merger, and even after completion of the merger, either the Antitrust Division, the FTC or any state attorney general could challenge, seek to block or block the merger under the antitrust laws, as it deems necessary or desirable in the public interest. Other competition agencies with jurisdiction over the merger could also initiate action to challenge or block the merger. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Angio and RITA cannot be sure that a challenge to the merger will not be made or that, if a challenge is made, Angio and RITA will prevail. Angio and RITA do not believe that the merger will violate U.S. federal or state laws.

Angio will make all filings with the appropriate regulatory authorities and take all other actions necessary, in each case in a timely manner, to obtain the approvals necessary in order to complete the merger and the other transactions contemplated by the merger agreement. We cannot be certain that the approvals will be granted or will be granted on a timely basis. Any approval, if granted, does not constitute a finding, recommendation or approval by the applicable regulatory authority as to the merits of the merger. Any representation to the contrary is unlawful. For further information regarding the obligations of Angio and RITA with regards to governmental and regulatory matters, see *The Merger Agreement Regulatory and Antitrust Approval* on page 77.

Angio and RITA have not yet obtained any of the governmental or regulatory approvals required to complete the merger.

**Material United States Federal Income Tax Consequences**

The following discussion describes the material U.S. federal income tax consequences of the merger to Angio, RITA, Angio stockholders and U.S. holders (as defined below) of RITA common stock. This summary is based on the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder, judicial opinions, and administrative pronouncements and published rulings of the Internal Revenue Service, all as in effect on the date of this joint proxy statement/prospectus. These authorities may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those set forth below. We have not sought, and will not seek, any ruling from the IRS with respect to the U.S. federal income tax consequences of the merger. We cannot be certain that the IRS will not take a contrary position regarding the tax consequences of the merger described in this discussion or that any such contrary position would not be sustained.

This discussion is limited to U.S. holders who hold their shares of RITA common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment). This discussion does not address all of the federal income tax consequences that may be relevant to stockholders in light of their particular circumstances, and does not address the tax consequences arising under the laws of any

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state, local or foreign jurisdiction. The discussion also does not address the tax consequences of any transaction other than the merger, including transactions completed prior to or after the merger (whether or not such transactions are in connection with the merger). In addition, this discussion does not address special considerations that may be relevant to a stockholder subject to special rules under U.S. federal income tax law, including without limitation:

banks, insurance companies and other financial institutions;

partnerships or other entities treated as partnerships or flow-through entities;

tax-exempt organizations;

tax-qualified retirement plans;

dealers in securities or currencies;

traders in securities that elect to use the mark-to-market method of accounting for their securities holdings;

persons that hold RITA common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a constructive sale or conversion transaction;

persons who acquired their shares of RITA common stock upon the exercise of employee stock options or otherwise as compensation;

persons whose functional currency is not the U.S. dollar; and

stockholders who are not U.S. holders.

If a partnership or other entity taxed as a partnership holds RITA common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the merger to them.

**RITA stockholders are strongly urged to consult their own tax advisors regarding the specific U.S. federal income tax consequences of the merger to them in light of their particular situation, as well any tax consequences arising under any state, local or foreign tax laws or any other federal tax laws.**

For purposes of this discussion, we use the term "U.S. holder" to mean a beneficial owner of RITA common stock that for U.S. federal income tax purposes is:

a citizen or resident of the United States;

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a corporation or other entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State or the District of Columbia;

an estate the income of which is subject to U.S. federal income tax regardless of its source; or

a trust, the substantial decisions of which are controlled by one or more U.S. persons and which is subject to the primary supervision of a U.S. court, or a trust that validly has elected under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

### **Structure of the Merger**

The merger has been structured to qualify as a reorganization for U.S. federal income tax purposes. As a condition to completing the merger, RITA must receive from Heller Ehrman LLP, and Angio must receive from Skadden, Arps, Slate, Meagher & Flom LLP, an opinion dated as of closing that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Such opinions will be based on, and assume the truth and accuracy of, the statements, covenants, representations and warranties contained in

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the merger agreement (including all exhibits and schedules thereto) and this joint proxy statement/prospectus. Such opinions also will be based on the assumptions that the merger will be consummated in the manner contemplated by, and in accordance with the provisions of, the merger agreement and this joint proxy statement/prospectus, and that the merger will be effective under the laws of the State of Delaware. Such opinions further assume that the parties have complied with and, if applicable, will continue to comply with, the covenants contained in the merger agreement and this joint proxy statement/prospectus. Any inaccuracy in the foregoing assumptions could adversely affect such opinions. In addition, each opinion will be based on customary factual assumptions and representations, as set forth in representation letters to be delivered by each of Angio and RITA at the time of closing, which assumptions and representations must continue to be true and accurate in all respects as of the closing. An opinion of counsel represents such counsel's best legal judgment and is not binding on the IRS or any court. Both RITA and Angio have agreed that, after receipt of their respective stockholder approval, neither RITA nor Angio will waive receipt of a tax opinion from either Heller Ehrman LLP or Skadden, Arps, Slate, Meagher & Flom LLP, as the case may be, as a condition to closing, unless further approval of their respective stockholders is obtained with appropriate disclosure.

### **Tax Consequences of the Merger**

#### *Consequences if the merger is a reorganization*

If the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, subject to the qualifications and assumptions set forth in this discussion, the material U.S. federal income tax consequences of the merger are as follows:

no gain or loss will be recognized by Angio, Royal I, RITA or Angio stockholders;

to the extent that RITA stockholders receive solely Angio common stock in the merger, they will not recognize gain or loss;

to the extent that RITA stockholders receive a combination of cash and Angio common stock they generally will recognize capital gain in an amount equal to the lesser of (i) the excess of the amount of cash plus the fair market value of any Angio common stock received in the merger over such stockholder's tax basis in the RITA common stock exchanged in the merger or (ii) the amount of cash received in the merger. No loss may be recognized, except for loss resulting from the receipt of cash in lieu of a fractional share of Angio common stock. Gain or loss must be calculated separately for each identifiable block of RITA common stock exchanged in the merger and a loss realized on one block of RITA common stock cannot be used to offset a gain realized on another block of RITA common stock;

a RITA stockholder's aggregate tax basis in (i) the shares of Angio common stock received in the merger plus (ii) any fractional share of Angio common stock for which such stockholder receives cash, will be the same as such stockholder's aggregate tax basis in the RITA common stock exchanged in the merger, decreased by the amount of any cash received by such stockholder in the merger, and increased by the amount of any gain recognized by such stockholder in the merger, including any portion of gain that is treated as a dividend. For these purposes, any cash received in lieu of a fractional share of Angio common stock and any gain recognized on the receipt of such cash will not be taken into account;

a RITA stockholder's holding period with respect to the shares of Angio common stock received in the merger will include the holding period of the RITA common stock exchanged therefor;

RITA stockholders who receive cash in lieu of a fractional share of Angio common stock generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and such stockholder's tax basis in the fractional share.

#### ***Tax Character of Gain***

In the case of RITA stockholders having no direct or indirect control over Angio corporate affairs, any gain should be treated as capital gain for U.S. federal income tax purposes. Such capital gain will generally be long-term capital gain if the RITA stockholder's holding period with respect to the RITA common stock surrendered



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in the merger is more than one year at the effective time of the merger. However, there are circumstances under which all or a part of any gain that a RITA stockholder recognizes in the merger could be treated as a distribution of a dividend instead of capital gain to the extent of the stockholder's ratable share of undistributed accumulated earnings and profits of the corporation. Due to the inherently factual nature of this determination, RITA stockholders are encouraged to consult their own tax advisors to determine whether any gain recognized in the merger could be treated as a distribution of a dividend.

### ***RITA Stockholders Exercising Dissenters' Appraisal Rights***

A RITA stockholder who dissents to the merger generally will recognize capital gain or loss in a net aggregate amount equal to the difference between the amount of cash received and the stockholder's tax basis in the dissenting shares. Although there is no authority directly on point, it is possible that a stockholder will be required to recognize gain or loss upon completion of the merger, and in advance of the receipt of any cash payment, in an amount generally equal to the trading price of RITA common stock upon completion of the merger less such stockholder's tax basis in the dissenting shares. In this event, capital gain or loss also would be recognized by the stockholder at the time the stockholder receives cash payment of the appraised fair market value of the dissenting shares, to the extent that such payment differs from the trading price of RITA common stock upon completion of the merger. A portion of such payment may be characterized as interest income. Capital gain recognized will generally be long-term capital gain if the RITA stockholder's holding period with respect to the RITA common stock is more than one year at the relevant time.

### ***Backup Withholding***

Non-corporate holders of RITA common stock may be subject to backup withholding on any cash payments received in the merger. However, backup withholding may be avoided if a stockholder:

furnishes a correct taxpayer identification number and certifies that it is not subject to backup withholding on the substitute IRS Form W-9 or any successor form included in the letter of transmittal to be delivered to RITA stockholders following the completion of the merger;

provides a certification of foreign status on IRS Form W-8BEN or any successor form; or

is otherwise exempt from backup withholding and properly establishes such exemption.

Backup withholding is not an additional tax, and any amounts withheld may be allowed as a refund or credit against a stockholder's U.S. federal income tax liability, provided the stockholder furnishes the required information to the IRS.

Tax matters are complicated, and the tax consequences of the merger to each RITA stockholder will depend on the facts of each stockholder's situation. RITA stockholders are strongly urged to consult their own tax advisors regarding the specific U.S. federal income tax consequences of the merger to them in light of their particular situation, as well as any tax consequences arising under any state, local or foreign tax laws or any other federal tax law and applicable reporting requirements.

### ***Accounting Treatment***

The merger will be accounted for as a purchase, as that term is used under GAAP, for accounting and financial reporting. RITA will be treated as the acquired corporation for accounting and financial reporting purposes. RITA's assets, liabilities and other items will be adjusted to their estimated fair value on the closing date of the merger and combined with the historical book values of the assets and liabilities of Angio. Applicable income tax effects of these adjustments will be included as a component of the combined company's deferred tax asset or liability. The difference between the estimated fair value of the assets (including separately identifiable intangible assets, such as core deposit intangibles), liabilities and other items and the purchase price will be recorded as goodwill. Financial statements of Angio issued after the merger will reflect these values and will not be restated retroactively to reflect the historical financial position or results of operations of RITA.



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### **Listing of Angio Common Stock**

Angio will file with NASDAQ a Notification Form: Listing of Additional Shares covering the shares of Angio common stock to be issued in the merger, subject to official notice of issuance.

### **Dissenters Rights of Appraisal**

Under Delaware law, holders of Angio common stock are not entitled to dissenters appraisal rights in connection with the issuance of Angio common stock in the merger.

Holders of shares of RITA common stock who receive cash consideration and who do not vote in favor of adopting the merger agreement and properly demand appraisal of their shares will be entitled to appraisal rights pursuant to the merger agreement under Section 262 of the DGCL, which is referred to as Section 262.

**The following discussion is not a complete discussion of the law pertaining to appraisal rights under Section 262 and is qualified in its entirety by the full text of Section 262 which is attached to this joint proxy statement/prospectus as Annex D. The following summary does not constitute any legal or other advice, nor does it constitute a recommendation that RITA stockholders exercise their right to seek appraisal under Section 262. All references in Section 262 and in this summary to a stockholder are to the record holder of the shares of RITA common stock as to which appraisal rights are asserted. A person having a beneficial interest in shares of RITA common stock held of record in the name of another person, such as a broker, fiduciary, depositary or other nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect appraisal rights.**

Under Section 262, persons who hold shares of RITA common stock and who receive any portion of the merger consideration in cash and who do not vote in favor of adoption of the merger agreement, and who otherwise follow the procedures set forth in Section 262 will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment of the fair value of the shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, as determined by the court.

Under Section 262, where a merger is to be submitted for approval at a meeting of stockholders, as in the case of the approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger, by RITA stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders entitled to appraisal rights that appraisal rights are available and include in the notice a copy of Section 262. This joint proxy statement/prospectus shall constitute the notice, and the full text of Section 262 is attached to this joint proxy statement/prospectus as Annex D. Any holder of RITA common stock who wishes to exercise appraisal rights or who wishes to preserve such holder's right to do so, should review the following discussion and Annex D carefully because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights. Moreover, because the determination as to whether holders of RITA common stock will receive any cash consideration for their shares will not be made until the third trading day prior to the RITA special meeting, any RITA stockholder who wishes to seek appraisal rights for their shares should comply with the procedures required by Section 262 of the DGCL, presuming that such appraisal rights will be available. Due to the complexity of the procedures for exercising the right to seek appraisal, RITA stockholders who are considering exercising such rights are urged to seek the advice of legal counsel.

Any RITA stockholder wishing to exercise appraisal rights under Section 262 must:

deliver to RITA, before the vote on the adoption of the merger agreement at the RITA special meeting, a written demand for the appraisal of the stockholder's shares;

not vote its shares of common stock in favor of the adoption of the merger agreement; and

hold of record the shares of RITA common stock on the date the written demand for appraisal is made and continue to hold the shares of record through the effective time of the merger.

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A proxy that is signed and does not contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement and it will constitute a waiver of the stockholder's right of appraisal and will nullify any previously delivered written demand for appraisal. Therefore, a stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the adoption of the merger agreement or abstain from voting on the merger agreement.

Neither voting against the adoption of the merger agreement (in person or by proxy), nor abstaining from voting or failing to vote on the proposal to adopt the merger agreement will in and of itself constitute a written demand for appraisal satisfying the requirements of Section 262. The written demand for appraisal must be in addition to and separate from any proxy or vote. The demand must reasonably inform RITA of the identity of the holder as well as the intention of the holder to demand an appraisal of the fair value of the shares held by the holder. A stockholder's failure to make the written demand prior to the taking of the vote on the adoption of the merger agreement at the RITA special meeting will constitute a waiver of appraisal rights.

Only a holder of record of shares of RITA common stock on the record date for the RITA special meeting is entitled to assert appraisal rights for the shares registered in that holder's name. A demand for appraisal in respect of shares of RITA common stock should be executed by or on behalf of the holder of record, fully and correctly, as the holder's name appears on the holder's stock certificates, should specify the holder's mailing address and the number of shares registered in the holder's name, and must state that the person intends to demand appraisal of the holder's shares pursuant to the merger agreement. If the shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of the demand should be made in that capacity. If the shares are owned of record by more than one person, as in a joint tenancy and tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including an agent for two or more joint owners, may execute a demand for appraisal on behalf of a holder of record. However, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, the agent is acting as agent for the record owner or owners. A record holder such as a broker who holds shares as nominee for several beneficial owners may exercise appraisal rights with respect to the shares held for one or more beneficial owners while not exercising the rights with respect to the shares held for other beneficial owners. In such case, however, the written demand should set forth the number of shares as to which appraisal is sought. If no number of shares is expressly mentioned, the demand will be presumed to cover all shares of RITA common stock held in the name of the record owner. Stockholders who hold their shares in brokerage accounts or other nominee forms and who wish to exercise appraisal rights are urged to consult with their brokers to determine the appropriate procedures for the making of a demand for appraisal by such a nominee.

**All written demands for appraisal pursuant to Section 262 should be sent or delivered to RITA Medical Systems, Inc., 46421 Landing Parkway, Fremont, California 94538, (510) 771-0400, Attn: Corporate Secretary.**

Within 10 days after the effective time of the merger, Royal I, LLC or its successor in interest, which we refer to generally as the surviving company, must notify each holder of RITA common stock who has complied with Section 262 and who has not voted in favor of the adoption of the merger agreement that the merger has become effective. Within 120 days after the effective time of the merger, but not thereafter, the surviving company or any holder of RITA common stock who has complied with Section 262 and is entitled to appraisal rights under Section 262 may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the holder's shares. The surviving company is under no obligation to and has no present intention to file a petition. Accordingly, it is the obligation of the holders of RITA common stock to initiate all necessary action to perfect their appraisal rights in respect of shares of RITA common stock within the time prescribed in Section 262.

Within 120 days after the effective time of the merger, any holder of RITA common stock who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive

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from the surviving company a statement setting forth the aggregate number of shares of RITA common stock not voted in favor of the adoption of the merger agreement and the aggregate number of shares which have made demands for appraisal. The statement must be mailed within 10 days after a written request has been received by the surviving company or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for an appraisal is timely filed by a holder of shares of RITA common stock and a copy is served upon the surviving company, the surviving company will then be obligated within 20 days to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares and with whom agreements as to the value of their shares have not been reached. After notice to the stockholders as required by the Court, the Delaware Court of Chancery is empowered to conduct a hearing on the petition to determine those stockholders who have complied with Section 262 and who have become entitled to appraisal rights thereunder. The Delaware Court of Chancery may require the stockholders who demanded payment for their shares to submit their stock certificates to the Register in Chancery for notation on the certificates of the pending appraisal proceeding. If any stockholder fails to comply with the direction, the Delaware Court of Chancery may dismiss the proceedings as to that stockholder.

After determining the holders of RITA common stock entitled to appraisal, the Delaware Court of Chancery will appraise the fair value of their shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. Stockholders considering seeking appraisal should be aware that the fair value of their shares as so determined could be more than, the same as or less than the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares and that an investment banking opinion as to fairness from a financial point of view is not necessarily an opinion as to fair value under Section 262. You should not expect the surviving company to offer more than the applicable merger consideration to any stockholder exercising appraisal rights and Anglo reserves the right to assert, in any appraisal proceeding, that for purposes of Section 262, the fair value of a share of RITA common stock is less than the applicable merger consideration.

Although RITA believes that the merger consideration is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery. Delaware courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenter's exclusive remedy. The Delaware Court of Chancery will determine the amount of interest, if any, to be paid upon the amounts to be received by persons whose shares of common stock of RITA have been appraised. If a petition for appraisal is not timely filed, then the right to an appraisal will cease.

In determining fair value and, if applicable, a fair rate of interest, the Delaware Court of Chancery is to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered, and that fair price obviously requires consideration of all relevant factors involving the value of the company. The Delaware Supreme Court stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise, and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the merger. In *Cede & Co. v. Technicolor, Inc.* the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 to mean that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.

The costs of the action may be determined by the Court and levied upon the parties as the Court deems equitable. The Court may also order that all or a portion of the expenses incurred by any stockholder in

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connection with an appraisal, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, be charged pro rata against the value of all the shares entitled to be appraised.

Any holder of shares of RITA common stock who has demanded an appraisal in compliance with Section 262 will not, after the effective time of the merger, be entitled to vote the shares subject to the demand for any purpose or be entitled to the payment of dividends or other distributions on those shares, except dividends or other distributions payable to holders of record of RITA common stock as of a record date prior to the effective time of the merger.

Any RITA stockholder may withdraw his or her demand for appraisal and accept the consideration offered pursuant to the merger agreement by delivering to the surviving company a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than 60 days after the effective date of the merger will require written approval of the surviving company. No appraisal proceeding in the Delaware Court of Chancery will be dismissed without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Court deems just. If the surviving company does not approve a request to withdraw a demand for appraisal when that approval is required, or if the Delaware Court of Chancery does not approve the dismissal of an appraisal proceeding, the stockholder will be entitled to receive only the appraised value determined in any such appraisal proceeding, which value could be less than, equal to or more than the consideration being offered pursuant to the merger agreement.

If any stockholder who demands appraisal of shares of RITA common stock under Section 262 fails to perfect, or effectively withdraws or loses, such holder's right to appraisal, the stockholder's shares of RITA common stock will be deemed to have been converted at the effective time of the merger into the right to receive the merger consideration, subject to certain pro rata adjustments described under the section entitled "The Merger Agreement-Merger Consideration" on page 72. A stockholder will fail to perfect, or effectively lose or withdraw, the stockholder's right to appraisal if no petition for appraisal is filed within 120 days after the effective time of the merger, or if the stockholder delivers to the surviving company a written withdrawal of the holder's demand for appraisal and an acceptance of the merger consideration, except that any attempt to withdraw made more than 60 days after the effective time of the merger will require the written approval of the surviving company and, once a petition for appraisal is filed, the appraisal proceeding may not be dismissed as to any holder absent court approval.

Failure to follow the steps required by Section 262 for perfecting appraisal rights may result in the loss of these rights. Consequently, any stockholder willing to exercise appraisal rights is urged to consult with legal counsel prior to attempting to exercise such rights.

If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting exceeds \$27.29, the merger consideration will consist solely of .1772 shares of Angio common stock and no cash, and consequently no appraisal rights will exist for RITA stockholders.

### **Delisting and Deregistration of RITA Common Stock**

If the merger is completed, RITA common stock will be delisted from the NASDAQ and deregistered under the Exchange Act and RITA will no longer file periodic reports with the SEC.

### **Restrictions on Sales of Shares of Angio Common Stock Received in the Merger**

The issuance of the shares of Angio common stock in connection with the merger will be registered under the Securities Act of 1933 and such share will be freely transferable, except for shares of Angio common stock issued to any person who is deemed to be an affiliate of RITA under the Securities Act of 1933 prior to the completion of the merger. Persons who may be deemed to be affiliates of RITA prior to the completion of the

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merger include individuals or entities that control, are controlled by, or are under common control with, RITA prior to the merger, and may include officers and directors, as well as significant stockholders of RITA prior to the merger. Affiliates of RITA prior to the merger may not sell any of the shares of Angio common stock received by them in connection with the merger except pursuant to:

an effective registration statement under the Securities Act of 1933 covering the resale of those shares;

an exemption under paragraph (d) of Rule 145 under the Securities Act of 1933; or

any other applicable exemption under the Securities Act of 1933.

Angio's registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, does not cover the resale of shares of Angio common stock to be received by affiliates of RITA in the merger.

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**THE MERGER AGREEMENT**

*The following summary describes certain material provisions of the merger agreement, which is included in this joint proxy statement/prospectus as Annex A, and amendment no. 1 to the merger agreement attached to this joint proxy statement/prospectus as Annex E and is incorporated by reference into this joint proxy statement/prospectus. This summary may not contain all of the information about the merger agreement that is important to you. You are encouraged to read the merger agreement carefully in its entirety.*

**Structure of the Merger**

The merger agreement provides for the merger of RITA with and into Royal I. As a result of the merger, RITA will cease to exist and Royal I will continue as the surviving company, and a wholly owned subsidiary of Angio.

**Completion and Effectiveness of the Merger**

The closing of the merger will occur no later than the third business day after the conditions to completion of the merger contained in the merger agreement are satisfied or waived, unless the parties agree otherwise in writing. See the section entitled Conditions to Completion of the Merger below. The merger will become effective upon the filing of the certificate of merger with the Secretary of State of the State of Delaware.

**Merger Consideration**

***General***

Upon completion of the merger, each share of RITA common stock outstanding immediately prior to the effective time of the merger will be cancelled and retired and converted into the right to receive 0.1722 of a share of Angio common stock and an amount in cash, such that the total consideration to be received by RITA stockholders totals \$4.70 per share, to the extent the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting, as described below, upon surrender of the certificate representing the share of RITA common stock in the manner provided in the merger agreement. The value of the merger consideration that a RITA stockholder receives in the merger may vary, as described below. In addition, shares held by RITA stockholders who validly exercise dissenters' rights will be subject to appraisal in accordance with Delaware law as described further below under Dissenters' Shares.

Upon completion of the merger and as described further below under Employee Matters :

each outstanding option to purchase RITA common stock, whether or not then exercisable, will be converted into the right to receive the merger consideration; and

each outstanding warrant to purchase RITA common stock, whether or not then exercisable, will be converted into the right to receive the merger consideration.

The exchange ratio in the merger and the cash consideration will be adjusted to reflect the effect of any reclassification, recapitalization, split-up, combination, exchange or shares or readjustment, or stock dividend, or other like change with respect to Angio common stock or RITA common stock having a record date on or after the date of the merger agreement and prior to completion of the merger.

Upon completion of the merger, each share of RITA common stock held by Angio or any direct or indirect wholly-owned subsidiaries of Angio immediately prior to the merger will be automatically cancelled and extinguished, and none of Angio or any of its direct or indirect subsidiaries will receive any securities of Angio or other consideration in exchange for those shares.

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***Computation of Stock/Cash Portions of the Merger Consideration***

RITA stockholders will receive 0.1722 of a share of the common stock of Angio for each share of RITA common stock they own, and an amount of cash per share of RITA common stock so that the total consideration to be received by RITA stockholders totals \$4.70 per share, provided, the average closing sale price of Angio common stock is between \$27.29 and \$18.18 for the 10 trading days ending three trading days before the RITA special meeting. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting is less than \$18.18, RITA stockholders will receive 0.1722 of a share of Angio common stock and \$1.57 in cash for each share of RITA common stock they own. If the average Angio closing sale price for the 10 trading days ending three trading days before the RITA special meeting exceeds \$27.29, RITA stockholders will receive only the stock consideration.

Based on the number of shares of Angio and RITA common stock outstanding on November 30, 2006, after completion of the merger, Angio expects to issue 7,861,948 common shares in the transaction and to issue an additional 1,895,740 common shares upon exercise of RITA options and warrants and former RITA stockholders will own approximately 34.5% of the then-outstanding shares of Angio common stock, on a fully diluted treasury stock method basis.

***Dissenters' Shares***

To the extent the merger consideration includes any cash, shares of RITA common stock held by any RITA stockholder that properly demands payment for its shares in compliance with the dissenters' appraisal rights under Section 262 of the DGCL, will not be converted into the right to receive the merger consideration. RITA stockholders properly exercising dissenters' rights will be entitled to payment as further described above under The Merger-Dissenters' Rights of Appraisal. However, if any RITA stockholder fails to perfect or otherwise waives, withdraws or loses the right to receive payment under Section 262 of the DGCL, then that RITA stockholder will not be paid in accordance with Section 262 of the DGCL and the shares of RITA common stock held by that RITA stockholder will be exchangeable solely for the right to receive the merger consideration. Moreover, because the determination as to whether holders of RITA common stock will receive any cash consideration for their shares will not be made until the third trading day prior to the RITA special meeting, any RITA stockholder who wishes to seek appraisal rights for their shares should comply with the procedures required by Section 262 of the DGCL, presuming that such appraisal rights will be available.

***Exchange of RITA Stock Certificates for Angio Stock Certificates***

Angio has retained Registrar and Transfer Company as the exchange agent for the merger to handle the exchange of shares of RITA common stock for the merger consideration, including the payment of cash for fractional shares.

Only those holders of RITA common stock who properly surrender their RITA stock certificates in accordance with the exchange agent's instructions will receive:

a statement indicating book-entry ownership of Angio common stock or, if requested, a certificate representing Angio common stock, and the cash consideration, if any; and

cash in lieu of any fractional share of Angio common stock.

After the effective time of the merger, each certificate representing shares of RITA common stock that has not been surrendered will represent only the right to receive the merger consideration. Following completion of the merger, RITA will not register any transfers of RITA common stock outstanding on its stock transfer books prior to the merger.

As soon as reasonably practicable after the effective time of the merger, the exchange agent will mail to each record holder of shares of RITA common stock, a letter of transmittal and instructions for surrendering the

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certificates representing shares of RITA common stock for merger consideration. Upon surrender of certificates representing shares of RITA common stock for cancellation, together with an executed letter of transmittal, to the exchange agent, the holder of those certificates will be entitled to receive the appropriate merger consideration. The surrendered certificates representing RITA common stock will be cancelled.

### **Fractional Shares**

Angio will not issue fractional shares of Angio common stock in the merger. As a result, each holder of shares of RITA common stock who would otherwise be entitled to receive fractional shares of Angio common stock in the merger will be entitled to an amount of cash, without interest, rounded to the nearest cent, equal to the product of the amount of the fractional share interest in a share of Angio common stock to which that stockholder is entitled by the average price of Angio common stock for the 10 trading days ending three days before the RITA special meeting. Alternatively, Angio has the option of instructing the exchange agent to aggregate all fractional shares of Angio common stock, sell such shares in the public market and distribute to holders of RITA common stock who otherwise would have been entitled to such fractional shares of Angio common stock a pro rata portion of the proceeds of such sale.

### **Termination of Exchange Fund; No Liability**

One year after the effective time of the merger, Angio may require the exchange agent to deliver to Angio all cash and shares of Angio common stock remaining in the exchange fund. Thereafter, RITA stockholders must look only to Angio for payment of the merger consideration on their shares of RITA common stock.

None of Angio or the exchange agent will be liable to any holder of a certificate representing shares of RITA common stock or any cash payable in respect of any distributions or dividends or in lieu of any fractional shares of Angio common stock, delivered to a public official under any applicable abandoned property, escheat or similar law.

### **Representations and Warranties**

The merger agreement contains customary representations and warranties of Angio and RITA, which are subject to materiality and knowledge qualifications in many respects, and expire at the effective time of the merger.

The representations and warranties contained in the merger agreement relate to:

Corporate existence, qualification to conduct business and corporate standing and power;

Ownership of subsidiaries and capital structure;

Corporate authority to enter into and perform the merger agreement and enforceability of the merger agreement;

Absence of a breach of the certificate of incorporation, bylaws, law or material agreements as a result of the merger;

Required governmental or material consents;

Filings with the SEC and other government entities;

Financial statements;



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Absence of certain changes or events, including litigation;

Intellectual property matters;

Existence and enforceability of material contracts;

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Absence of unaccrued liabilities;

Compliance with laws and regulations;

Regulatory compliance and governmental authorizations;

Tax matters;

Labor and other employment matters and employee benefit plans

Absence of environmental liabilities;

Absence of legal proceedings;

Board of directors and stockholder approval;

No foreign corrupt practices;

Real property;

Insurance policies;

Information to be supplied;

Inapplicability of state takeover statutes;

Payment of fees to finders or brokers in connection with the merger agreement;

Opinions of financial advisors; and

Transactions with affiliates.

The merger agreement also contains certain representations and warranties of Angio with respect to its wholly-owned subsidiary, Royal I, including corporate organization and authorization, absence of a breach of the certificate of incorporation and the bylaws, no prior business activities and capitalization. The representations and warranties of the parties do not survive following the effective time of the merger.

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The merger agreement has been included to provide stockholders with information regarding its terms. It is not intended to provide any other factual information about Angio, RITA or Royal I. As described above, the merger agreement contains representations and warranties of each of Angio, RITA and Royal I made to the other parties to the merger agreement. The assertions embodied in those representations and warranties are qualified by information in confidential disclosure letters that the parties have exchanged in connection with signing the merger agreement. The disclosure letters contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the merger agreement. Accordingly, stockholders should not rely on the representations or warranties as characterizations of the actual state of facts at the time they were made or otherwise.

### **Conduct of Business Before Completion of the Merger**

Except as expressly required by, or provided for, in the merger agreement, or agreed to by the other party in writing, RITA and Angio are required to each (i) operate in the ordinary course of business consistent with past practice, (ii) conduct its operations in material compliance with all applicable legal requirements and material contracts, (iii) use its commercial reasonable efforts to keep its business organization intact, keep available the services of their current officers, key employees and maintain relationships and goodwill with customers, suppliers, landlords, creditors, licensors, licensees, and other like parties, (iv) provide all notices with respect to assets and prevent disclosure of intellectual property, (v) and maintain insurance.

Without the prior written consent of Angio and subject to certain exceptions, neither RITA nor any of its respective subsidiaries may take certain prohibited actions. These restrictions relate to the following:

the declaration or payment of dividends;

the issuance of capital stock or other securities;

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the hiring of employees;

the amendment of its stock option plans;

the formation of new subsidiaries;

the amendment of its organizational documents;

capital expenditures;

the sale of certain assets;

the acquisition of another business or material assets;

the pledging or disposing of material assets;

the incurrence of indebtedness;

the payment or discharge of indebtedness;

changes in employee compensation or other benefits;

changes in accounting methods;

tax elections and related matters;

the commencement or settlement of legal proceedings;

actions that would cause any condition precedent to the merger not to be able to be satisfied;

entering into, terminating or modifying material agreements; and

allow any company intellectual property to lapse or expire.

Without the prior written consent of RITA and subject to certain exceptions, neither Angio nor or any of its respective subsidiaries may take certain prohibited actions. These restrictions relate to the following:

the declaration or payment of dividends;

the issuance of capital stock or other securities;

the amendment of company organizational documents;

the acquisition of another business or material assets;

the pledging or disposing of material assets;

changes in accounting methods;

actions reasonably expected to delay or impede completion of the merger; and

the commencement or settlement of legal proceedings.

**RITA Prohibited from Soliciting Other Offers**

RITA has agreed not to, and will not permit its subsidiaries or representatives to, directly or indirectly:

solicit, initiate or encourage the submission of any acquisition proposal;

furnish any information regarding RITA in connection with an acquisition proposal;

participate in any discussions with respect to any acquisition proposal; or

enter into any agreement with respect to an acquisition proposal.

RITA may, however, before RITA stockholders adopt the merger agreement, in response to an unsolicited bona fide acquisition proposal which did not result from a breach by RITA of the merger agreement and that the

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RITA board of directors determines, in good faith, after consultation with outside counsel and financial advisors, would reasonably be expected to lead to a superior proposal, furnish information with respect to RITA to the person making the acquisition proposal and its representatives pursuant to a customary confidentiality agreement, that is not less restrictive of the person making the acquisition proposal than the confidentiality agreement entered into by RITA with Angio, and negotiate with such person regarding an acquisition proposal.

The merger agreement provides for the following:

A **acquisition proposal** means: a bona fide offer or proposal relating to any merger or any business combination transaction, any issuance or tender resulting in a group holding more than 15% of RITA's securities, any disposition of more than 10% of RITA's assets, or income or revenue generating business or any liquidation or dissolution.

A **superior proposal** means: any proposal made by a third party to acquire substantially all the equity securities or assets of RITA on terms which RITA's board determines in good faith, after consultation with RITA's outside legal counsel and financial advisors, to be more favorable from a financial point of view to RITA's stockholders than the merger and is reasonably likely to be completed.

In addition, RITA's board will not (i) withdraw or modify, in a manner adverse to Angio, its approval or recommendation of the merger, (ii) approve or recommend, or propose publicly to approve or recommend, any acquisition proposal or (iii) enter into any letter of intent, agreement in principle, acquisition agreement or other agreement related to any acquisition proposal, except that, if prior to obtaining the RITA stockholder approval, RITA's board determines in good faith, after consultation with outside counsel, that the failure to do so would be inconsistent with its fiduciary duties to RITA's stockholders under applicable law it may withdraw or modify its approval or recommendation of the merger. The RITA board may also withhold, withdraw or modify its approval or recommendation of the merger, other than in respect of an acquisition proposal, if prior to obtaining the RITA stockholder approval, RITA's board determines in good faith, after consultation with outside counsel, that the failure to do so would be inconsistent with its fiduciary duties to RITA's stockholders under applicable law.

The change or withdrawal of the recommendation of the RITA board of directors does not affect RITA's obligation to submit the proposal to adopt the merger agreement for a vote of RITA's stockholders.

## **Regulatory and Antitrust Approval**

Angio and RITA will use commercially reasonable efforts to take, or cause to be taken, all actions necessary, proper or advisable to complete and make effective the merger and the other transactions contemplated by the merger agreement, as promptly as practicable, but in no event later than August 27, 2007.

Angio and RITA have agreed to use commercially reasonable efforts to obtain early termination of any waiting period under HSR, file all other notices, reports and other documents required to be filed with any governmental body with respect to the merger, promptly supply the other with any information which may be required in order to effectuate such filings, supply any additional information which reasonably may be required, and to give the other party prompt notice of any communication or threat of commencement of any legal proceeding by any governmental body with respect to the merger.

## **Employee Matters**

Stock options and existing warrants to purchase shares of RITA common stock will be converted into the right to acquire the same merger consideration as RITA stockholders upon exercise. All options to purchase shares of RITA common stock that are required to be accelerated and vested pursuant to their respective terms or agreements of RITA currently existing, will be so accelerated and vested.

Angio has agreed to provide RITA's employees with welfare benefits until November 27, 2007 that are in the aggregate no less favorable than the welfare benefits they received prior to the effective time of



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the merger, to use commercially reasonable efforts to waive pre-existing condition limitations and provide service credit for benefits purposes and to accelerate the vesting of RITA stock options under certain circumstances. Following the effective time of the merger, employees of RITA will be eligible to receive stock options and other stock-based awards under plans of Angio and/or the surviving entity on the same basis as similarly situated Angio employees; and

If any employee of RITA is terminated by Angio for any reason other than cause prior to the six month anniversary of the effective time of the merger, each option to purchase RITA common stock outstanding and held by such terminated employee will become fully exercisable and vested and will remain exercisable for at least 90 days from the date such employee is terminated (but in no event will any option to purchase RITA common stock remain exercisable later than the expiration of its term).

### **Indemnification and Expenses**

Angio will cause the surviving company, to the fullest extent permitted by law, to honor all of RITA's obligations to indemnify the current and former directors and officers of RITA for acts or omissions by RITA's directors or officers occurring at or prior to the effective time of the merger. The organizational documents of the surviving company will contain provisions no less favorable with respect to indemnification than those set forth in RITA's organizational documents at the time of executing the merger agreement.

For six years from the effective time of the merger, Angio will cause to be maintained in effect the current policies, or purchase a tail policy covering the same, of directors' and officers' liability insurance maintained by RITA's with respect to claims arising from or related to facts or events which occurred at or before the effective time of the merger. However, Angio will not be obligated to make annual premium payments for this insurance if the premiums exceed 250% of the current annual premiums paid by RITA for the insurance. Further, if the insurance coverage cannot be obtained at all, or can only be obtained at an annual premium in excess of 250% of the annual premium paid by RITA as of the date of the merger agreement, Angio will maintain the most advantageous policies of directors' and officers' insurance obtainable for an annual premium equal to that amount.

If a six year tail prepaid policy is obtained by RITA for an aggregate premium acceptable to Angio, on terms and conditions and no less advantageous than the existing officers' and directors' liability insurance maintained by RITA prior to the effective time of the merger, Angio will maintain such policy in full force and effect for its full term, and will continue to honor its respective obligations.

Except as provided under Termination Fee, all fees and expenses incurred in connection with the merger will be paid by the party incurring the fees or expenses, whether or not the merger is completed.

### **RITA Rights Agreement**

The RITA rights plan has been amended such that, among other things, (i) neither Angio nor Royal I shall become an Acquiring Person (as defined in the RITA rights agreement) as a result of the announcement of the merger or the merger agreement, the acquisition of shares of RITA common stock by Royal I as a result of the merger, the execution of the merger agreement, or the completion of the transactions contemplated thereby, (ii) none of a Shares Acquisition Date, a Distribution Date or a Triggering Event (each as defined in the RITA rights agreement) shall occur as a result of the announcement of the merger or the merger agreement, the acquisition of shares of RITA common stock by Royal I as a result of the merger, the execution of the merger agreement, or the completion of the transactions contemplated thereby, and (iii) the RITA rights agreement and the Rights (as defined in the RITA rights agreement) shall terminate immediately prior to the completion of the merger.

### **RITA Employee Stock Purchase Plan**

RITA has agreed that, prior to the effective time of the merger, RITA will take all actions necessary or appropriate so that each purchase period and offering period (as such terms are defined in the RITA



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Employee Stock Purchase Plan) then in progress shall terminate no later than the effective time of the merger and each option under the RITA Employee Stock Purchase Plan shall be automatically exercised.

**Conditions to Completion of the Merger**

The obligations of Angio and RITA to complete the merger are subject to the satisfaction or waiver, if legally permissible, of the following conditions:

Approval of the merger agreement and the merger by RITA stockholders;

Approval by Angio stockholders of the issuance of shares of Angio common stock pursuant to the merger agreement;

Absence of any law, regulation or court order prohibiting the merger;

This registration statement being declared effective and not subject to a stop order by the SEC;

Approval of the listing on the NASDAQ, subject to official notice of issuance of the shares of Angio common stock to be issued in the merger;

The expiration or termination of the waiting period, or any extension to the waiting period, under the HSR Act;

The material compliance by the parties with their obligations under the merger agreement;

Accuracy of the representations and warranties in the merger agreement made by a party, except for inaccuracies which in the aggregate, have had and are not reasonably likely to have a material adverse effect on that party, as defined in the merger agreement, provided that, the representation relating to the capitalization of RITA which shall be true and correct in all respects, however that this condition shall be deemed satisfied to the extent that, after giving effect to any failure to be true and correct, the value of merger consideration that is payable would not exceed the aggregate merger consideration that would have been payable by Angio had such representations been true and correct in all respects by more than \$2,200,000; *provided; however*, that if this condition is not satisfied, Angio agreed to negotiate in good faith with RITA to adjust the per share merger consideration.

Neither party having suffered any change, since September 30, 2006 for RITA and September 2, 2006 for Angio, that is reasonably likely to have a material adverse effect on that party;

Receipt of certificates from each parties' respective officers that the conditions to complete the merger have been completed; and

Receipt of opinions of counsel to Angio and to RITA that the merger will qualify as a tax-free reorganization.

There are a number of conditions that, by their nature, can only be satisfied in the future or at the time of completion of the merger. We cannot be certain that these conditions will be satisfied, including: obtaining the requisite stockholder approval; the absence of court orders or injunctions prohibiting the merger; the absence of events resulting in or that would reasonably be likely to result in a material adverse effect.

**Termination of the Merger Agreement**

Angio and RITA may mutually agree in writing, at any time before the completion of the merger, to terminate the merger agreement. Also, either Angio or RITA may terminate the merger agreement in a number of circumstances, including if:

the merger is not completed by the outside date;

any governmental entity prohibits the merger;

RITA stockholders fail to adopt the merger agreement at the RITA special meeting; or

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Angio stockholders fail to approve the issuance of shares of Angio common stock in the merger at the Angio special meeting.

Angio may terminate the merger agreement if:

RITA breaches its representations or warranties or fails to perform its covenants in the merger agreement, which breach or failure to perform results in a failure of certain of the conditions to the completion of the merger being satisfied; or

the RITA board of directors withholds, withdraws or adversely modifies its recommendation of the merger agreement.

RITA may terminate the merger agreement if Angio