

CYTYC CORP
Form 425
May 30, 2007

FBR Growth Conference 2007
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NASDAQ: HOLX
May 30, 2007

Filed by Hologic, Inc.
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Subject Company: Cytoc
Corporation
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Disclaimer Regarding Forward-Looking
Statements

Information set forth in this communication contains forward-looking statements, which involve a number of risks and uncertainties. Such forward-looking statements include, but are not limited

to,
statements
about
the
anticipated
benefits
of
Hologic's
products,
the
timing

of the completion of the transaction between Hologic and Cytac, the anticipated benefits of the business combination transaction involving Hologic and Cytac, including future financial and operating results, the expected permanent financing for the transaction, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. Hologic

and Cytac

caution readers that any forward-looking information is

not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information.

These include risks and uncertainties relating to: the ability to obtain regulatory approvals of the transaction on the proposed terms and schedule; the parties may be unable to complete the transaction because conditions to the closing of the transaction may not be satisfied; the risk that the businesses will not be integrated successfully; the transaction may involve unexpected costs or unexpected liabilities; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; competition and its effect on pricing, spending, third-party relationships and revenues; the need to develop new products and adapt to significant technological change; implementation of strategies for improving internal

Disclaimer Regarding Forward-Looking
Statements (continued)

growth; use and protection of intellectual property; dependence on customers' capital spending policies and government funding policies, including third-party reimbursement; realization of potential future savings from new productivity initiatives; general worldwide economic conditions and related uncertainties; future legislative, regulatory, or tax changes as well as other economic, business and/or competitive factors; and the effect of exchange

rate fluctuations on international operations. In addition, the transaction will require the combined company to obtain significant financing. While Hologic has obtained a commitment to obtain such financing, including a bridge to the permanent financing contemplated in the presentation, the combined company's liquidity and results of operations could be materially adversely affected if such financing is not available on favorable terms. Moreover, the substantial leverage resulting from such financing will subject the combined company's business to additional risks and uncertainties. The risks included above are not exhaustive. The annual reports on Form 10-K, the quarterly reports on Form 10-Q, current reports on Form 8-K and other documents Hologic and Cytoc have filed with the SEC contain additional factors that could impact the combined company's businesses and financial performance. The parties expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in

the
parties
expectations or any change in events, conditions or circumstances on which any such
statement is based.

Important Information for Investors and
Stockholders

Hologic and Cytoc

will file a joint proxy statement/prospectus with the SEC in connection
with the proposed merger. **HOLOGIC AND CYTYC URGE INVESTORS AND
STOCKHOLDERS TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN
IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED BY**

EITHER PARTY WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors and stockholders will be able to obtain the joint proxy statement/prospectus and other documents

filed

with

the

SEC

free

of

charge

at

the

website

maintained

by

the

SEC

at

www.sec.gov. In addition, documents filed with the SEC by Hologic will be available free

of

charge

on

the

investor

relations

portion

of

the

Hologic

website

at

www.hologic.com.

Documents

filed

with

the

SEC

by

Cytec

will

be

available

free

of

charge

on

the

investor

relations
portion
of
the
Cytoc
website
at
www.cytoc.com.

Participants in the Solicitation

Hologic, and certain of its directors and executive officers, may be deemed participants in the solicitation of proxies from the stockholders of Hologic in connection with the merger.

The names of Hologic's directors and executive officers and a description of their interests in Hologic are set forth in the proxy statement for Hologic's 2006 annual meeting of

stockholders,
which
was
filed
with
the
SEC
on
January
25,
2007.

Cytc,
and
certain

of
its
directors and executive officers, may be deemed to be participants in the solicitation of
proxies

from
its
stockholders

in
connection
with
the
merger.

The
names
of
Cytc's
directors
and
executive
officers
and

a
description
of
their
interests

in
Cytc
is
set
forth

in
Cytc's

Annual Report on Form 10-K/A for the fiscal year ended December 31, 2006, which was
filed with the SEC on April 30, 2007. Investors and stockholders can obtain more detailed
information

regarding
the
direct
and
indirect
interests
of
Hologic s
and
Cytoc s
directors
and
executive
officers
in
the
merger
by
reading
the
definitive
joint
proxy
statement/prospectus
when it becomes available.

Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use the non-GAAP financial measures "adjusted EPS" and EBITDA . Adjusted EPS excludes the write-off and amortization of acquisition-related intangible assets,
and

tax
provisions/benefits
related
thereto.

EBITDA

is
defined

as

net

earnings (loss) before interest, taxes, depreciation and amortization expense. Neither adjusted EPS nor EBITDA is a measure of operating performance under GAAP. We believe that the use of these non-GAAP measures helps investors to gain a better understanding of our core operating results and future prospects, consistent with how management measures and forecasts our performance, especially when comparing such results to previous periods or forecasts. When analyzing our operating performance, investors should not consider these non-GAAP measures as a substitute for net income prepared in accordance with GAAP.

A History of Innovation
Delphi
HOLOGIC
Goes Public
Acquisition of
Trex
Medical

Including LORAD

Selenia

Launched

in U.S.

Introduced

3D DEXA

Acquisition

of R2, Suros

and AEG

Fan-Beam

Technology

Founding of

HOLOGIC

Announced

Agreement

with

Cytec

Introduced

Tomosynthesis

at

RSNA

Launched

Discovery

Acquisition

of Direct

Radiography

1986

1990

1995

1998

1999

2000

2002

2003

2004

2005

2006

2007

Hologic Overview

Women's health imaging market leader

Strong/profitable core businesses (breast health/densitometry)

Technology and market share leader (# 1 market share in U.S.)

Major opportunity -

digital mammography/interventional market

Large, emerging digital and interventional markets

Digital technology emerging as the standard of care

Less invasive procedures for biopsy and therapy gaining ground

>50% growth rate in FY-05 and FY-06

Expanded distribution (U.S. sales team doubled in FY-06)

Expanding presence with acquisitions of R2, Suros, AEG

Sound capital foundation

Financial Overview
Record Q2 FY07
revenues
of \$180 million
Record Q2 FY07 pre-tax
income of \$33.9 million
Backlog of \$216 million as of

quarter-end 3/31/07

Q2 FY07 Performance (**March 31st**)

up 79%

over Q2 FY06

up 94%

over Q2 FY06

up 41% **Of**

\$63 million

over **3/25/06**

Strong Growth

Up 99%
Over 1st
Half FY06
78% of Revenues
LORAD Mammography/Breast Care
Recognized technology leader worldwide
Market share leader in the U.S. >50% share in analog/digital

Unsurpassed image quality

High transmission cellular grid -
patented

Largest installed base

13,000 system

\$129

\$189

\$270

\$336

'04

'05

'06

1st Half '07

Fiscal Year

Mammography/Breast Care Revenue

\$ in Millions

Up 77%

Over FY05

Direct Conversion
Technology Optimal
> 72% of Mammography/Breast Care Product Revenue
LORAD Selenia FFDM
First U.S. system delivered in March 2003
555 Selenias
sold in FY06

228 Selenias
sold in Q1 FY07
282 Selenias
sold in Q2 FY07
Backlog
increased to 533
systems at end
of Q2 FY07
up 132%
over FY05
up 135%
over Q1 FY06
up 248
systems
over Q2 FY06
up 154%
over Q2 FY06

282
37
35
228
193
154
111

97
71
64
54
50
44
27
27
3
11
16
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2

Selenia Highlights:

555 sold in FY06

510 sold in first half of FY07

Approximately 38% of
estimated 3,900+ worldwide

FFDM installed market

Accelerating

Interest

*For Fiscal Years Ended September 30th

Number of Selenia s Sold*

Full Field Digital Mammography

2003

2004

2005

2006

2007

MQSA U.S. Scorecard*
(Mammography Quality Standards Act of 1992)
Total Certified Facilities
8,800
Total Accredited Units
13,447
Certified Facilities with FFDM Units

1,795

20.4%

Accredited FFDM Units

2,637 **19.6%**

Total U.S. Annual

= 34.7 Million

Mammography Procedures

Hologic U.S. Installed Base (at March 31, 2007)

1,130

45% (of FFDM units)

*(<http://www.fda.gov/cdrh/mammography>)

Certified Statistics as of May 1, 2007

Tomosynthesis
Technology Roadmap
Lower recall rates
Improved detection

False positives
costly

False negatives
deadly
Incorporated in screening
Digital Tomosynthesis
Tomosynthesis
Offers the
Potential for:

Vacuum Assist Breast
Biopsy Systems
Leading technology for VABB
Leverages U.S. sales and
distribution channels
FY06 sales of approximately
\$38 million

High gross margin product
exceeding 65%

Over 70% of revenues derived
from recurring disposable
sales

Expected growth rate of over
50% in each of next
two years
Worldwide market currently estimated
at \$250 million

1.8m biopsies in U.S.

-

1/3 vacuum assisted

International market represents
new opportunity

Celero

-

The First Vacuum-Assisted, Spring-Loaded Core Biopsy Device for Breast Ultrasound

Celero breast biopsy device with CeleroMark biopsy marker system and introducer

Celero Advantages

- Faster and less traumatic for the patient
- Provides better access to hard-to-reach lesions
- Better cores
that are more than two
times the size of conventional spring
loaded core devices
- More accurate clinical diagnosis
- Better confirmation with the needle
clearly visible under ultrasound imaging
Celero Market
- 600,000 Core Needle Biopsies per year
- Surgery Call Point

Ultrasound
Stereotactic
MRI
500,000 (ATEC Market)
1.8 Million
Breast Biopsy
Procedures

Annually in the
U.S.

600,000

(Celero
Market)

700,000

Suros ATEC

®

and Celero

Systems

Ideally Positioned to Capture the Biopsy Market

Creating a
Global Leader
in
Women's Healthcare
Continuing a legacy of leading technology, innovation and rapid growth

May 20, 2007

Transaction Overview

Permanent financing anticipated to be combination of pre-payable term loan and equity-linked securities

Financing:

Hologic, Inc. (NASDAQ: HOLX), continue Cytoc name

Name of NewCo:

Third Quarter of CY2007

Timing to Close:

Shareholders of both companies, customary closing conditions and anti-trust clearance, including HSR and various country filings

Customary Approvals:

Chief Executive Officer: Jack Cumming

Management:

Chairman of the Board: Patrick Sullivan

Hologic: 6 Directors

Cytyc: 5 Directors

Board Composition:

Hologic:

45%

Cytyc:

55%

Pro Forma Ownership:

0.520 Hologic shares and \$16.50 for each Cytyc share valued at \$46.46 per share or 33% premium, for approximate total consideration of \$2.2B in cash and \$4.0B in stock

Purchase Consideration:

Expansive women's healthcare product portfolio

-

Nine number #1 brands in market

Significant cross-selling synergies

-

Ability to leverage OB/GYN channel

-

Ability to leverage Surgical and Radiation Oncology channel for

Hologic's new products pipeline

Enhanced international presence

20 international offices with total of

220+ personnel in sales and service

R&D efforts in interventional and therapy segment will accelerate

Strategic Advantages

Combined Strengths

Comprehensive Sales Coverage in U.S.

425+ sales team

Comprehensive Service Coverage in U.S.

250+ service team

Proven management team with record of successfully
integrating acquisitions

Significant cash flow generation

\$450M projected EBITDA in 2008

Accretive to adjusted EPS

1

within the first full year after close

1

Adjusted EPS excludes the write-off and amortization of acquisition-related intangible assets, and related tax effect.

Selenia
Breast Cancer
Screening
MammoSite
Radiation
Therapy
ThinPrep Pap Test & Imaging System

Cervical Cancer Screening

NovaSure

Endometrial

Ablation

Adiana

Contraception

FullTerm -

Adeza

Preterm Labor

Best-in-Class Solutions

in

Women s Healthcare

Comprehensive Women s Healthcare Platform

Discovery

Osteoporosis

Screening

MultiCare

Stereotactic

Biopsy

Suros

Biopsy Systems

Solutions for Major Women's Healthcare Issues

Helica

Adiana

Fetal Fibronectin

Discovery

Sahara

NovaSure

ThinPrep
Selenia
MultiCare
Suroc ATEC
MammoSite
Combined
Offering
Unpenetrated
High
Medium
Low
High
Medium
High
Market Growth
\$100M
\$1B+
\$400M
\$110M
\$2.5B+
\$550M
\$1B
U.S. Market Size
Endometriosis
Permanent
Contraception
Preterm
Labor
Osteoporosis
Menorrhagia
Cervical
Cancer
Breast
Cancer
1 in 3
1 in 4
1 in 2
Pregnancies
1 in 2
1 in 5
1 in 138
1 in 8
U.S. Women
Affected
NM
NM
#1
#1
#1
#1

#1
U.S. Market
Position
Gestiva
International
ThinPrep
Imager
International
Tomosynthesis
Suros Celero
Additional
Opportunities
International
International
International
International
International
\$0
\$0
\$60M
\$80M
\$230M
\$425M
\$600M
2007E Worldwide
Revenue

Source: Market research and company estimates.

OB/Gyn
Screening
Test
Diagnostic
Test
Treatment
Specialist
Therapeutic
Improved
Outcomes
Our Mission
Leveraging the OB/GYN Channel
Best Technology
Selenia, ThinPrep,
Adeza, Discovery
Minimally Invasive

Most Specific

Suros, MultiCare,

Selenia, Discovery

Channel Access to

Gatekeeper

230 **OB/Gyn sales reps**

Channel Access to

Treatment Decision

maker

288 Breast surgeon, oncologist,

OB/Gyn sales reps

Targeted

Minimally Invasive

NovaSure,

MammoSite,

Gestiva, Adiana

Over 425 U.S. Sales Representatives

58

Breast Surgery &
Radiation Oncology

77

Radiology & Imaging Center
110 Gynecology Surgery

143

OB/Gyn & Primary Care Physicians

45

Clinical Lab

Multiple call points to women's

healthcare providers

Access to

30,000 OB/Gyn's

40,000 Radiologists

10,000 Hospitals & Imaging centers

4,000 Radiation Oncologists

4,000 Gyn Surgeons

2,500 Breast Surgeons

Best-in-class brand recognition

In-Depth Channel Coverage

Product Pipeline

-

Current/Near and Mid/Long Term Revenue Potential

\$60

50

40

30

0

Current Products/New Markets

New Products/New Markets

Immediate

3 Years

+ 4 Years

Availability Timeline

Core Biopsy to Surgery

FFDM to Gynecology

MI Fibroid Adenoma Extraction to Surgery

Radiation Therapy to Rad Onc

MI Cancer Extraction to Surgery

Hologic proprietary

development of new products

for Cytoc Sales Channel

Tomosynthesis

Multiple platforms to enhance top and bottom line growth
Increased scale through diversification of revenue and
strong margin profile
Enhanced cash flow; LQA EBITDA of ~\$436M
Revenue and cost synergy opportunities
Estimated more than \$0.10 accretive to adjusted EPS¹
within

the first full year after close, significantly more accretive thereafter

Rapid debt repayment, incremental earnings growth

Financial Rationale

1

Adjusted EPS excludes the write-off and amortization of acquisition-related intangible assets, and related tax effect.

Diversified and Balanced Revenue Mix

Gynecology

Interventional

16%

Gynecology

Diagnostics

33%

Breast Health

40%

Osteoporosis

& Other

11%

Combined Company

LQA Revenue

= \$1.44B

~ 40% Capital Equipment

~ 60% Consumables

Other

1%

MammoSite

5%

Adeza

8%

NovaSure

30%

Pap

56%

Other

12%

Breast Biopsy

9%

Osteoporosis

11%

Digital

Mammography

68%

Hologic

LQA Revenue = \$724M

Cytyc

LQA Revenue

= \$720M

Combined Financial Strength

46%

Gross Margin

\$161M

EBITDA

\$724M

Revenue

LQA
Hologic
75%
Gross Margin
\$275M
EBITDA
\$720M
Revenue
LQA
Cytoc
60%
Gross Margin
\$436M
EBITDA
\$1.44B
Revenue
LQA
Combined Company

\$25-\$30M projected cost savings within two years

Align assets to maximize efficiencies

Leverage combined purchasing power

Consolidate administrative activities

Greater than \$75M revenue projected opportunities within three years

Cross-selling to OB/Gyn/breast surgeon/mammographer/radiation oncologist

Enhanced geographic reach

200 people with 20 offices

Penetration of new and existing markets

\$10M in Cost Synergies Anticipated in Year One

Significant Synergy Opportunity

FY2008 Guidance and Long Term Outlook

2008 Guidance

Revenue: In excess of \$1.70B

Adjusted EPS¹: \$2.35-\$2.40 / share

Gross margin: 65%

Long-Term Outlook

Revenue Growth: 20%

Adjusted EPS

1

Growth: 20%+

1

Adjusted EPS excludes the write-off and amortization of acquisition-related intangible assets, and related tax effect.

Drive market growth through a combination of advanced technology and comprehensive sales channel coverage
#1 market position in major areas of women's healthcare
Continue 20%+ revenue and earnings growth
Develop additional best-in-class products that provide earlier and better detection, improved diagnosis, less invasive treatment and better outcomes

Long-Term Strategic Goals

Creating a Global Leader
in Women's Healthcare
Comprehensive Women's Healthcare Product Portfolio

Complementary best-in-class technologies
Expanded Commercial Capabilities

Expansive U.S. sales channel coverage

Enhanced presence in key international markets

Platform for entry into new markets
Opportunity to offer Integrated Solutions

Screening

Diagnostics

Therapeutics

Creating
A Global Leader
In Women's Healthcare