

CYTYC CORP
Form 425
May 21, 2007

Creating a Global Leader in Women's Healthcare
Continuing a legacy of leading technology, innovation and rapid growth
May 21, 2007
Filed by Hologic, Inc.
Pursuant to Rule 425 under the

Securities Act of 1933 and deemed
filed pursuant to Rule 14a-12 of
the Securities Exchange Act of 1934

Subject

Company:

Cytyc

Corporation

Commission File No.: 000-27558

Disclaimer Regarding Forward-Looking
Statements

Information set forth in this presentation 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
timing
of
the
completion
of
the
transaction,
the
anticipated
benefits
of
the
business
combination
transaction
involving
Hologic
and
Cytoc,
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
Cytoc
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
Cytyc
will
be
available
free
of
charge
on
the
investor
relations portion of the Cytyc
website at www.cytyc.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.

Cytec,
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
Cytec's
directors
and
executive
officers
and

a

description
of
their
interests
in
Cytoc
is
set
forth
in
Cytoc'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.

Patrick Sullivan
Chairman, President and
CEO of Cytoc
Jack Cumming
Chairman and CEO of
Hologic
Glenn Muir

Chief Financial Officer of
Hologic
1

Patrick Sullivan
Chairman, President and CEO, Cytoc
2

Expanded Product Portfolio
Comprehensive Sales Coverage
Ability to Leverage OB/GYN Channel
Significant Cross-Selling Synergies
Enhanced International Presence
Creating a Global Leader in Women's Healthcare
Market Share Leader in Major Product

Lines

Proven Management Team

Significant Cash Flow Generation

Accretive

to

Adjusted

EPS

1

Within

the

First Full Year After Close

Strategic Rationale

Combined Strengths

3

1

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

MultiCare
Stereotactic
Biopsy
Discovery
Osteoporosis
Screening
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
Suros
Biopsy Systems
Comprehensive Women's Healthcare Platform
4

Jack Cumming
Chairman and CEO, Hologic
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Powerful Strategic Logic

Largest sales and service organization focused on women's healthcare in U.S.

Leverage commercial strengths across multiple physician specialties

Comprehensive Channel

Coverage

Significant combined expertise in developing and marketing products

Proven record of successfully executing strategic transactions

Proven Track Record

Driving revenue growth by capitalizing on increased scope and scale
Over 200 associates and 150 distribution partners supporting over 125
countries around the world

Enhanced International

Presence

Integrated solutions to meet medical needs throughout a woman's life

Setting the standard of care in all product categories

Broad Product Portfolio

Leading women's healthcare company with projected \$1.7B+ sales in FY2008

Over 90% of total revenue from products with #1 market share in the U.S.

Creates Industry Leader

6

Powerful Financial Logic

\$75M+ projected cross-selling opportunities to drive top-line growth

Projected cost savings of approximately \$25M to \$30M within two years

Significant Synergies

Balanced product revenue mix

Attractive mix of capital equipment and high margin recurring revenue

Enhanced Diversification

Approximately \$450M of LQA EBITDA

Ability to reduce leverage quickly and generate incremental EPS growth

Strong Cash Flow

Multiple markets for long-term revenue and EPS growth

Dramatically enhanced margins and sustainable growth platforms

Solid Financial Profile

Estimated

more

than

\$0.10

accretive

to

adjusted

EPS

1

within

the

first

full

year after close and significantly accretive thereafter

Accretive Within the First

Full Year After Close

7

1

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

Solutions for Major Women's Healthcare Issues

Helica

Unpenetrated

1 in 3

Gestiva

International

ThinPrep

Imaging System
International
Tomosynthesis
Suros Celero
Additional
Opportunities
Adiana
FullTerm
Fetal
Fibronectin
Discovery
Sahara
NovaSure
ThinPrep
Pap Test
Selenia
MultiCare
Suros ATEC
MammoSite
Combined
Offering
High
Medium
Low
High
Medium
High
Market Growth
\$100M
\$1B+
\$400M
\$110M
\$2.5B+
\$550M
\$1B
U.S. Market Size
1 in 4
1 in 2
Pregnancies
1 in 2
1 in 5
1 in 138
1 in 8
U.S. Women
Affected
Endometriosis
Permanent
Contraception
Preterm
Labor

Osteoporosis

Menorrhagia

Cervical

Cancer

Breast

Cancer

International

NM

NM

#1

#1

#1

#1

#1

U.S. Market

Position

International

International

International

International

Source: Market research and company estimates.

8

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

10

Enhanced International Presence

Commercial presence in over 125 countries around the world

UK

Spain

France

Italy

Germany

Switzerland

MA

Australia

Hong Kong

Costa Rica

China

Mexico

Brazil

South Africa

Japan

Canada

Belgium

Legend

Company presence

Key distributors

CA

IN

DE

CT

11

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 and less invasive treatment

Long-Term Strategic Goals

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Glenn Muir
Chief Financial Officer, Hologic
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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

Cytc: 5 Directors

Board Composition:

Hologic:

45%

Cytc:

55%

Pro Forma Ownership:

0.520 Hologic shares and \$16.50 for each Cytc 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:

Transaction Overview

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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
EPS
1
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.

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Other

1%

MammoSite

5%

Adeza

8%

NovaSure

30%
Pap
56%
Other
12%
Breast Biopsy
9%
Osteoporosis
11%
Digital
Mammography
68%
Diversified and Balanced Revenue Mix
Gynecology
Interventional
16%
Gynecology
Diagnostics
33%
Breast Health
40%
Osteoporosis &
Other
11%
Hologic
Combined Company
LQA Revenue = \$724M
Cytoc
LQA Revenue
= \$720M
LQA Revenue
= \$1.44B
~ 40% Capital Equipment
~ 60% Consumables
16

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
17

\$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
Enhanced geographic reach

Penetration of new and existing markets
\$10M in Cost Synergies Anticipated in Year One
Significant Synergy Opportunity
18

FY2008 Guidance and Long Term Outlook

2008 Guidance

Revenue: In excess of \$1.70B

Adjusted

EPS

1

:

\$2.35-2.40

/

share

Gross margin: 65%

Long-Term Outlook

Revenue Growth: 20%

Adjusted

EPS

1

Growth:

20%+

19

1

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

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

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Creating a
Global Leader
in
Women's Healthcare
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