HOLOGIC INC
Form 424B3
December 04, 2007
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed pursuant to Rule 424(b)(3)
Registration No. 333-147784

Subject to Completion. Dated December 3, 2007.

Prospectus Supplement to Prospectus dated December 3, 2007.

$1,300,000,000

Hologic, Inc.

% Convertible Senior Notes due 2037

The notes will bear interest at a rate of % per year, payable semi-annually in arrears in cash on June 15 and December 15 of each year, beginning on June 15, 2008 and ending on December 15, 2013, and will accrete principal from December 15, 2013 at a rate that provides holders with an aggregate annual yield to maturity of % per year. Beginning with the six-month interest period commencing December 15, 2013, we will pay contingent interest during any six-month interest period to the holders of notes if the trading price (as defined herein) of the notes for each of the five trading days ending on the second trading day immediately preceding the first day of the applicable six-month interest period equals or exceeds 120% of the accreted principal amount of the notes.

Holders may convert their notes at their option on any day prior to the close of business on the scheduled trading day immediately preceding September 15, 2037, only under the following circumstances: (1) during the five business-day period after any five consecutive trading day period (the measurement period) in which the price per note for each trading day of that measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such day; (2) during any calendar quarter (and only during such quarter) after the calendar quarter ending December 31, 2007, if the last reported sale price of our common stock for 20 or more trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 130% of the applicable conversion price in effect on the last trading day of the immediately preceding calendar quarter; (3) upon the occurrence of specified corporate events; or (4) if we call the notes for redemption. The notes will be convertible, regardless of the foregoing circumstances, on and after September 15, 2037 through the close of business on the second scheduled trading day immediately preceding the maturity date of the notes.

The initial conversion rate for the notes will be shares of common stock per $1,000 in original principal amount of notes, equivalent to an initial conversion price of approximately $ per share of common stock. The conversion price will be subject to adjustment in some events but will not be adjusted for accrued interest. In addition, if a make-whole fundamental change (as defined herein) occurs prior to December 15, 2013, we will in some cases increase the conversion rate for a holder that elects to convert its notes in connection with such make-whole fundamental change.

In lieu of delivery of shares of our common stock in satisfaction of our obligation upon conversion of the notes, we may elect to deliver cash or a combination of cash and shares of our common stock. If we elect to satisfy our conversion obligation solely in cash, we will deliver cash in an amount based on a daily conversion value calculated on a proportionate basis for each VWAP trading day of the relevant 30 VWAP trading day observation period, all as described herein. If we elect to satisfy our conversion obligation in a combination of cash and shares of our common stock, we will deliver up to a specified dollar amount of cash per $1,000 original principal amount of notes, and will settle the remainder of our conversion obligation in shares of our common stock, in each case based on the daily conversion value calculated as described in the preceding sentence. In addition, at any time on or prior to the 35th scheduled trading day prior to the maturity date of the notes, we may make an irrevocable election to settle conversions of the notes either solely in cash or in a combination of cash and shares of our common stock with a specified cash amount at least equal to the accreted principal amount of the notes. This net share settlement election is in our sole discretion and does not require the consent of holders of the notes.

You may require us to repurchase some or all of the notes on December 13, 2013, December 15, 2017, December 15, 2022, December 15, 2027 and December 15, 2032 at a repurchase price equal to 100% of the accreted principal amount of the notes being repurchased, plus accrued and unpaid interest, if any. Subject to certain exceptions, holders may also require us to repurchase for cash all or part of their notes upon a fundamental change at a price equal to 100% of the accreted principal amount of the notes being repurchased plus accrued and unpaid interest, if any. Beginning December 18, 2013, we may redeem any or all of the notes (except for the notes that we are required to repurchase as described above), in cash at a redemption price equal to 100% of the accreted principal amount of the notes being redeemed, plus accrued and unpaid interest, if any.

The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior debt and senior to all of our subordinated debt. The notes will be structurally subordinated to all existing and future liabilities of our subsidiaries and will be effectively subordinated to our existing and future secured indebtedness to the extent of the value of the collateral. As of September 30, 2007, pro forma for our merger with Cytyc Corporation, the related financings, this offering and the anticipated application of the net proceeds of this offering, we had approximately $2.39 billion in outstanding indebtedness, approximately $1.09 billion of which was secured indebtedness, and the aggregate amount of liabilities of our subsidiaries was approximately $2.33 billion including indebtedness of our subsidiaries, indebtedness guaranteed by our subsidiaries, deferred income tax liabilities, accrued expenses and trade and other payables, but excluding intercompany liabilities. If the underwriters exercise their option to purchase additional notes in full, we estimate that both our secured indebtedness and the liabilities of our subsidiaries will be reduced by approximately $191 million.

The notes will be subject to special United States federal income tax rules. For a discussion of the special tax regulations governing contingent payment debt instruments, see Certain U.S. Federal Income Tax Considerations.

The notes will be evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company. Except as described in this prospectus supplement, beneficial interests in each global note will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its direct and indirect participants.

For a more detailed description of the notes, see Description of the Notes beginning on page S-37.

We do not intend to apply for a listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system. Shares of our common stock are traded on the NASDAQ Global Select Market under the symbol HOLX. The closing sale price of our common stock on November 30, 2007 was $66.39 per share.

See Risk Factors on page S-10 of this prospectus supplement to read about factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial price to public	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

The initial offering prices set forth above do not include accrued interest, if any. Interest on the notes will accrue from the date of original issuance, expected to be December , 2007, or from the most recent date to which interest has been paid or duly provided for.

To the extent the underwriters sell more than $1,300,000,000 in original principal amount of notes, the underwriters have the option to purchase from us up to an additional $195,000,000 in original principal amount of notes at the initial price to public for the notes less the underwriting discount.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on December , 2007.

Goldman, Sachs & Co.

Banc of America Securities LLC **Citi**

JPMorgan **RBC Capital Markets** **Raymond James** **Leerink Swann**

Needham & Company, LLC **Soleil** **Stephens Inc.**

Prospectus Supplement dated December , 2007.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of our offering of the notes. The second part is the accompanying prospectus, which provides more general information, some of which may not be applicable to this offering. This prospectus supplement and the accompanying prospectus include important information about us, the notes, our common stock and other information you should know before investing. This prospectus supplement also adds, updates and changes information contained in the accompanying prospectus. If there is any inconsistency between the information in this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. Before purchasing the notes, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information about us described under Where You Can Find More Information and Incorporation by Reference in the accompanying prospectus.

You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the cover page hereof or thereof, as applicable, and that any information we have incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of the document incorporated by reference, unless we indicate otherwise. Our business, financial condition, results of operations and prospects may have changed materially since that date.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus that we authorize to be distributed to you. We have not, and the underwriters have not, authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

Unless we indicate otherwise, references herein to Hologic, we, our and us are to Hologic, Inc. and its subsidiaries.

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SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements (including the notes thereto) appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. Because this is a summary it may not contain all the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, as well as the information incorporated by reference, before making an investment decision. Some of the statements in this Summary are forward-looking statements. Please see Special Note Regarding Forward-Looking Statements for more information regarding these statements.

Our Business

We are a diversified medical technologies company specializing in diagnostic imaging products and interventional devices dedicated to serving the healthcare needs of women. Historically, we have developed, manufactured and marketed products focused on mammography, breast care and osteoporosis assessment. In October 2007, we completed our business combination with Cytyc Corporation (Cytyc), a company that develops, manufactures and markets complementary products covering a range of cancers and women s health indications, including cervical cancer screening, prenatal diagnostics and partial breast radiation therapy.

We have historically focused our resources on developing systems and subsystems offering superior image quality and diagnostic accuracy, which has enabled us to capture significant market share and customer loyalty, despite the presence of large competitors. As a result of our combination with Cytyc we intend to expand our focus to further utilize Cytyc s strengths in the fields of obstetrics, gynecology, radiation oncology and minimally invasive surgery.

Our mammography and breast care products include a broad portfolio of breast imaging and related products, including digital and film-based mammography systems, computer-aided detection (CAD), breast biopsy guidance systems, minimally invasive breast biopsy and tissue extraction devices and our recently acquired MammoPad breast cushion. Our osteoporosis assessment products primarily consist of dual-energy X-ray bone densitometry systems and an ultrasound-based osteoporosis assessment product. Our other business unit includes our Fluoroscan mini C-arm imaging products, our Esaote line of extremity MRI (Magnetic Resonance Imaging) systems that are manufactured by an original equipment manufacturer, and our photoconductor coating business, an ancillary business that we acquired as part of our acquisition of AEG Elektrofotografie GmbH.

Cytyc s product offerings have historically been divided between diagnostic and surgical products. Cytyc s core diagnostic products are the ThinPrep System, which is primarily used in cytology testing applications, such as cervical cancer screening, and the Full Term Fetal Fibronectin Test, which offers clinical and cost benefits for the assessment of the risk of pre-term birth. Cytyc s core surgical products include the NovaSure System, which enables physicians to treat women suffering from excessive menstrual bleeding in a minimally invasive manner in order to eliminate or reduce their bleeding, the MammoSite Radiation Therapy System, which is a single-use device for the treatment of early-stage breast cancer, the GliaSite Radiation Therapy System, which provides a full course of post-surgical radiation therapy using Iotrex, a proprietary, liquid radiation source for which Cytyc has an exclusive license, and the Adiana Complete Transcervical Sterilization System, which is a form of permanent female contraception intended as an alternative to tubal ligation and for which Cytyc is in the process of seeking a pre-market approval from the U.S. Food and Drug Administration.

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We were founded on and remain committed to the principle of applying superior technology to health care challenges facing women. We achieved our first market and technology position shortly after the first commercial shipment of our initial product targeting bone densitometry in 1987. Our proprietary technology remains a leading bone densitometry assessment tool, offering superior, cost-effective accuracy and reliability.

We were incorporated in Massachusetts in October 1985 and reincorporated in Delaware in March 1990. Our principal executive offices are located at 35 Crosby Drive, Bedford, Massachusetts 01730 and our telephone number is (781) 999-7300. Our Internet address is www.hologic.com. Information on our website does not constitute part of this prospectus supplement.

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THE OFFERING

The following summary of the offering of the notes is not intended to be a complete description of the notes and does not contain all the information that may be important to you. You should read this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized to be provided to you before making an investment in the notes. For a more detailed description of the notes, see the section entitled Description of the Notes in this prospectus supplement. With respect to the discussion of the terms of the notes on the cover page, in this section and in the section entitled Description of the Notes, the words we, our, us and the Company refer only to Hologic, Inc. and not to any of its subsidiaries.

Issuer	Hologic, Inc.
Notes Offered	$1,300,000,000 in aggregate original principal amount of % Convertible Senior Notes due 2037 (the notes), which may increase to up to $1,495,000,000 in aggregate original principal amount of the notes if the underwriters exercise their option to purchase additional notes in full.
Maturity Date	The notes will mature on December 15, 2037, unless earlier redeemed, repurchased or converted.
Interest; Accretion	We will pay interest on the notes at rate of % per year payable semiannually in arrears in cash on June 15 and December 15 of each year, beginning June 15, 2008 and ending on December 15, 2013. We will not pay cash interest (except contingent interest, if any) on and after December 15, 2013, and instead from such date the principal amount will accrete at a rate that provides holders with an aggregate annual yield to maturity of % per year (computed on a semi-annual bond-equivalent basis). We will also pay contingent interest on the notes under certain circumstances, as described below.
Contingent Interest	Beginning with the six-month interest period commencing December 15, 2013, we will pay contingent interest during any six-month interest period to the holders of the notes if the trading price (as defined herein) of the notes for each of the five trading days ending on the second trading day immediately preceding the first day of the applicable six-month interest period equals or exceeds 120% of the accreted principal amount of the notes. During any six-month period when contingent interest shall be payable with respect to the notes, the contingent interest payable per $1,000 original principal amount of the notes will equal 0.40% of the average trading price of $1,000 original principal amount of the notes during the five trading days ending on the second trading day immediately preceding the first day of the applicable six-month period. Unless otherwise stated, references to interest in this Summary include contingent interest, if any.

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Ranking	The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior debt and senior to all of our subordinated debt. The notes will be structurally subordinated to all existing and future liabilities of our subsidiaries and will be effectively subordinated to our existing and future secured indebtedness to the extent of the value of the collateral. As of September 30, 2007, pro forma for our merger with Cytyc, the related financings, this offering and the anticipated application of the net proceeds of this offering, we had approximately $2.39 billion in outstanding indebtedness, approximately $1.09 billion of which was secured indebtedness, and the aggregate amount of liabilities of our subsidiaries was approximately $2.33 billion, including indebtedness of our subsidiaries, indebtedness guaranteed by our subsidiaries, deferred income tax liabilities, accrued expenses, and trade and other payables, but excluding intercompany liabilities. If the underwriters exercise their option to purchase additional notes in full, we estimate that both our secured indebtedness and the liabilities of our subsidiaries will be reduced by approximately $191 million. The base indenture for the notes, as supplemented by the supplemental indenture to be entered into in connection with this offering (which we refer to collectively as the indenture) does not restrict us or our subsidiaries from incurring additional debt or other liabilities, including secured debt. Our subsidiaries will not guarantee any of our obligations under the notes.
Conversion Rights	Holders may convert their notes prior to the close of business on the scheduled trading day immediately preceding September 15, 2037, in multiples of $1,000 original principal amount, at the option of the holder, under the following circumstances: during the five business-day period after any five consecutive trading day period (the measurement period) in which the trading price per note for each day of such measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such day; during any calendar quarter after the calendar quarter ending December 31, 2007 (and only during such quarter), if the last reported sale price of our common stock for 20 or more trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 130% of the applicable conversion price in effect on the last trading day of the immediately preceding calendar quarter; upon the occurrence of specified corporate events described below under Description of the Notes Conversion Rights Conversion upon Specified Corporate Events ; or if we call the notes for redemption.

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At the option of the holder, regardless of the foregoing circumstances, holders may convert their notes, in multiples of $1,000 in original principal amount, at any time on or after September 15, 2037, through the close of business on the second scheduled trading day (as defined herein) immediately preceding the maturity date.

The initial conversion rate for the notes will be shares of common stock per $1,000 in original principal amount of notes, which is equivalent to an initial conversion price of approximately $ per share of common stock, subject to certain anti-dilution adjustments as described under Description of the Notes Conversion Rights Conversion Rate Adjustments. However, the conversion rate will not be adjusted for accrued interest or accreted principal in excess of the original $1,000 principal amount.

In addition, if a make-whole fundamental change (as defined herein) occurs prior to December 15, 2013, we will in some cases increase the conversion rate for a holder that elects to convert its notes in connection with such event as described under Description of the Notes Conversion Rights Adjustment to Shares Delivered upon Conversion upon Make-whole Fundamental Change. No adjustments will be made in the conversion rate of the notes if the stock price is greater than $ or if the stock price is less than $ (in each case, subject to adjustment). Notwithstanding the foregoing, in no event will the conversion rate of the notes exceed shares of common stock per $1,000 in original principal amount of notes (subject to adjustment).

Settlement Upon Conversion

The settlement amount will be computed as follows:

if we elect to satisfy the entire conversion obligation in common stock, we will deliver, on the third business day after the relevant conversion date, a number of shares of our common stock equal to (i) the quotient of the aggregate original principal amount of notes to be converted and 1,000, multiplied by (ii) the conversion rate in effect on the relevant conversion date;

if we elect to satisfy the entire conversion obligation in cash, we will deliver to the holder, for each $1,000 original principal amount of the notes to be converted, on the third business day immediately following the last day of the related observation period (as defined herein), cash in an amount equal to the sum of the daily conversion values (as defined herein) for each of the 30 VWAP trading days (as defined herein) during the related observation period;

if we elect to satisfy the conversion obligation in a combination of cash and common stock, the notice that we

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deliver to holders regarding our chosen method of settlement will specify a dollar amount of cash to be delivered per $1,000 original principal amount of notes, which we refer to as the specified dollar amount. We will settle each $1,000 in original principal amount of notes being converted by delivering, on the third business day immediately following the last day of the related observation period, cash and shares of our common stock, if any, equal to the sum of the daily settlement amounts (as defined herein) for each of the 30 VWAP trading days during the related observation period.

At any time prior to the 35th scheduled trading day (as defined herein) prior to the maturity date of the notes, we may deliver a one-time notice to the holders of the notes designating the settlement method for all conversions that occur on or after the 35th scheduled trading day prior to maturity (and if we have made the net share settlement election (as defined herein), such notice will include the specified dollar amount (as defined herein)). If we do not deliver such notice and we have not made a net share settlement election with respect to the notes, then we will settle all such conversions of notes in shares of our common stock. If we do not deliver such notice and we have made the net share settlement election, the specified dollar amount for all such conversions will be the accreted principal amount of such notes as of the maturity date of such notes.

We will treat all holders of notes converting on the same trading day in the same manner. Except for all conversions that occur on or after the 35th scheduled trading day prior to maturity of the notes or, if earlier, after we make the net share settlement election, we will not have any obligation to settle our conversion obligations arising on different trading days in the same manner. That is, we may choose on one trading day to settle in shares of our common stock only and choose on another trading day to settle in cash or a combination of cash and shares of our common stock.

At any time prior to the 35th scheduled trading day prior to the maturity date of the notes, we may irrevocably elect (which election we refer to as the net share settlement election) to settle conversions of the notes in either the manner described in the second bullet point above or the manner described in the third bullet point above. In the event we have made the net share settlement election and elect to settle conversions of the notes in the manner set forth in the third bullet point above, the specified dollar amount applicable to all conversions of such notes will be at least the accreted principal amount of such notes. The net share settlement election is in our sole

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	discretion and does not require the consent of the holders of the notes.
	It is our current intent and policy to settle any conversion of the notes as if we had elected to make the net share settlement election in the manner set forth in the third bullet point above.
Sinking Fund	None.
Optional Redemption by Us	Beginning December 18, 2013, we may redeem any or all of the notes, in cash at a redemption price, except for the notes that we are required to repurchase as described under Description of the Notes Repurchase at the Option of the Holder, equal to 100% of the accreted principal amount of the notes being redeemed, plus accrued and unpaid interest. Any notes redeemed by us will be paid for in cash.
Optional Repurchase Right of Holders	You will have the right to require us to repurchase in cash, at the repurchase price described below, all or part of your notes on December 13, 2013, December 15, 2017, December 15, 2022, December 15, 2027 and December 15, 2032.
	The repurchase price will equal 100% of the accreted principal amount of the notes being repurchased, plus accrued and unpaid interest. Any notes repurchased by us will be paid for in cash.
Fundamental Change Repurchase Right of Holders	Subject to certain exceptions, if we undergo a fundamental change (as defined herein) you will have the option to require us to repurchase all or any portion of your notes. The fundamental change repurchase price will be 100% of the accreted principal amount of the notes to be purchased, plus accrued and unpaid interest. Any notes repurchased by us will be paid for in cash.
Events of Default	Except as noted below, if an event of default on the notes occurs, 100% of the aggregate accreted principal amount of the notes, plus accrued and unpaid interest thereon, if any, may be declared immediately due and payable, subject to certain conditions set forth in the indenture. If the event of default relates to our failure to comply with the reporting obligations in the indenture, at our option, the sole remedy for the first 90 days following such event of default consists exclusively of the right to receive an extension fee on the notes in an amount equal to 0.25% of the accreted principal amount of the notes. The notes will automatically become due and payable in the case of certain types of bankruptcy or insolvency events of default involving us.

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No Prior Market	The notes will be new securities for which there is currently no market. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so, and may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained. We do not intend to apply for a listing of the notes on any securities exchange or automated quotation system.
NASDAQ Global Select Market Symbol for Our Common Stock	Our common stock is listed on the NASDAQ Global Select Market under the symbol HOLX.
Use of Proceeds	We estimate that the net proceeds to us from this offering, after deducting the underwriters discounts and estimated offering expenses payable by us of approximately $30 million, will be approximately $1.27 billion (or approximately $1.46 billion if the underwriters exercise their option to purchase additional notes in full). We intend to use the net proceeds from this offering to repay the principal outstanding under our 18 month senior secured capital markets term loan facility, which we refer to as the Term Loan X. As of November 30, 2007, $1.1 billion of principal was outstanding under the Term Loan X. All excess net proceeds resulting from the offering will be used first to repay all or a portion of the $250 million outstanding under a senior secured tranche B2 term loan facility, which we refer to as the Term Loan B2, and second, following the repayment of the Term Loan B2 in full, to repay, pro rata, a portion of our senior secured $600 million tranche A term loan facility and our $250 million tranche B1 term loan facility, which we refer to as the Term Loan A and the Term Loan B1, respectively. Affiliates of several of the underwriters in this offering are lenders under our credit facility and will receive a portion of the net proceeds from this offering that are applied to repay borrowings under our credit facility. See Underwriting.
U.S. Federal Income Tax Considerations	The indenture provides that by accepting a note, each holder agrees, for U.S. federal income tax purposes, to treat the notes as contingent payment debt instruments and to be bound by our application of the Treasury regulations that govern contingent payment debt instruments, including our determination that the rate at which interest will be deemed to accrue for U.S. federal income tax purposes will be %, compounded semiannually, which is the rate we would pay on a fixed-rate, noncontingent, nonconvertible debt instrument with terms and conditions otherwise comparable to the notes.

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You should consult your tax advisor with respect to the U.S. federal income tax consequences of owning the notes and the common stock into which the notes may be converted in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See Certain U.S. Federal Income Tax Considerations.

Risk Factors

See Risk Factors beginning on page S-10 to read about factors you should consider before buying the notes.

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RISK FACTORS

You should carefully consider the risks described below, as well as the risks described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus before making a decision to invest in the notes and the common stock into which the notes, in certain circumstances, are convertible. These risks are not the only ones faced by us. The trading price of the notes and the common stock into which the notes, under certain circumstances, are convertible could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement and the accompanying prospectus and the documents incorporated herein and therein by reference also contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and in the documents incorporated herein and in the accompanying prospectus by reference.

RISKS RELATED TO OUR CURRENT OUTSTANDING INDEBTEDNESS

We incurred significant indebtedness in order to finance the merger with Cytyc Corporation, which limits our operating flexibility, and could adversely affect our operations and financial results and prevent us from fulfilling our obligations.

In order to finance the cash portion of the merger with Cytyc Corporation (Cytyc) and other expenses incurred in connection with the merger, we incurred over $2.35 billion of new indebtedness, including approximately $600 million under a senior secured tranche A term loan facility which matures on September 30, 2012, $500 million under a senior secured tranche B-1 and B-2 term loan facility which matures on March 31, 2013, and $1.25 billion under senior secured capital markets term loan facility which matures on April 22, 2009. Additionally, certain other of our indebtedness may remain outstanding. These credit facilities bear interest at variable rates. This level of indebtedness may:

- make it more difficult for us to satisfy our obligations with respect to our outstanding indebtedness;
- increase our vulnerability to general adverse economic and industry conditions, including increases in interest rates;
- require us to dedicate a substantial portion of our cash flow from operations to interest and principal payments on our indebtedness, which would reduce the availability of our cash flow to fund working capital, capital expenditures, expansion efforts and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds for working capital, capital expenditures, general corporate purposes or acquisitions.

In addition, the terms of our financing obligations contain covenants that restrict our ability, and that of our subsidiaries, to engage in certain transactions and may impair our ability to respond to changing business and economic conditions, including, among other things, limitations on the ability to:

- incur additional indebtedness;

pay dividends and make distributions;

repurchase stock;

make certain investments;

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create liens;

engage in transactions with affiliates;

merge with or acquire another company; and

transfer and sell assets.

Our new credit facilities also require us to satisfy certain financial covenants.

Our ability to comply with these provisions may be affected by general economic conditions, political decisions, industry conditions and other events beyond our control. Our failure to comply with the covenants contained in the new credit facilities, including financial covenants, could result in an event of default, which could materially and adversely affect our results of operation and financial condition.

If there were an event of default under one of our debt instruments or a change of control, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately and may be cross-defaulted to other debt, including the notes. Our assets or cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default, and there is no guarantee that we would be able to repay, refinance or restructure the payments on those debt securities.

We may not be able to generate sufficient cash flow to service all of our obligations, including our obligations under our credit facilities.

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures, strategic transactions and expansion efforts will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Our business may not be able to generate sufficient cash flow from operations, and we cannot assure that future borrowings will be available to us in amounts sufficient to enable us to pay our indebtedness as such indebtedness matures and to fund our other liquidity needs. If this is the case, we will need to refinance all or a portion of our indebtedness on or before maturity, and there can be no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms, or at all. We may need to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt, or obtaining additional equity or debt financing. These financing strategies may not be affected on satisfactory terms, if at all. Our ability to refinance our indebtedness or obtain additional financing, or to do so on commercially reasonable terms, will depend on, among other things, our financial condition at the time, restrictions in agreements governing our indebtedness, and other factors, including the condition of the financial markets and the markets in which we compete.

If we do not generate sufficient cash flow from operations, and additional borrowings, refinancings or proceeds of asset sales are not available to us, we may not have sufficient cash to enable us to meet all of our obligations.

We may be required to enter into hedging transactions for our variable interest rate exposure under our existing credit facilities which could adversely affect our ability to repay all or a portion of those facilities without incurring additional costs, and will subject us to risks of default by the counterparties to those transactions.

The terms of our credit facility obligate us to enter into hedging transactions to hedge a substantial portion of the interest rate risk under those facilities, if we do not otherwise refinance a substantial portion of those facilities with debt bearing a fixed rate of interest. If we repay, redeem or

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repurchase (voluntarily or mandatorily) all or a portion of our credit facilities prior to their scheduled maturities, our obligations under those hedging transactions, if any, may cease to match our obligations under the credit facilities, and could result in significant additional expense to the company. These hedging transactions may not qualify for effective hedge treatment in accordance with U.S. GAAP and as a result, any changes in fair value of hedge contracts could be required to be recorded to the statement of income. In addition, default by the counterparties to our hedging transactions could result in us having to make interest payments at the variable rates payable under the credit facilities and expose us further to interest rate fluctuation risk under those credit facilities.

RISKS RELATED TO OUR BUSINESS

Sales and market acceptance of our products is dependent on third party reimbursement. Failure of third party payors to provide appropriate levels of reimbursement for use of our products could harm our business and prospects.

Sales and market acceptance of our medical products in the United States and other countries is dependent on the reimbursement of patients medical expenses by government healthcare programs and private health insurers. The costs of our products to customers are substantial, and market acceptance of our products will continue to depend upon our customers ability to obtain an appropriate level of reimbursement from third-party payors for use of such products. In the United States, the Centers for Medicare & Medicaid Services, known as CMS, establish guidelines for the reimbursement of healthcare providers treating Medicare and Medicaid patients. Under current CMS guidelines, varying reimbursement levels have been established for our products and procedures. The actual reimbursement amounts are determined by individual state Medicare carriers and, for non-Medicare and Medicaid patients, private insurance carriers. There are often delays between the reimbursement approvals by CMS and by a state Medicare carrier and private insurance carriers. Moreover, states as well as private insurance carriers may choose not to follow the CMS reimbursement guidelines. The use of our products outside the United States is similarly affected by reimbursement policies adopted by foreign governments reimbursements and regulatory positions and insurance carriers.

In November 2007, the CMS announced reductions to the 2008 reimbursement levels for physician, hospital and ambulatory surgical center payments. Such reimbursement rates also reflect a Sustainable Growth Rate (SGR) reduction which requires that reimbursement rates factor in a 10.1% reduction in physician payments under the physician fee schedule as determined by the SGR formula. The most significant reductions for 2008 applicable to our products were an approximately 4% to 9% decline in digital and analog mammography screening and diagnostic reimbursement rates, primarily due to the 10.1% SGR reduction and an approximately 22% decline, in addition to the SGR reduction, in reimbursement for CAD in 2008, the second year of the increases to an approximately 50% decline over four years as announced in 2006. Medicare payments in 2008 for our other products are effected primarily by the SGR reduction, and will decline by less than approximately 12%, while in-office payments for NovaSure and MammoSite balloon catheter placement will decline by approximately 17%. In November 2006, CMS announced reductions to the 2007 reimbursement levels for bone density assessments including an approximately 40% decline in 2007 in reimbursement for osteoporosis (DXA) testing, which increases to an approximately 70% decline over four years. The increase in the decline for 2008 for reimbursement for DXA testing is approximately 2%. These reductions or any other reduction or adverse change in reimbursement policies for the use of our products could harm our business and prospects.

Our business may be harmed by our recently completed acquisitions and our merger with Cytyc.

We recently acquired a number of businesses, technologies, product lines, and products, including Cytyc, BioLucent, Suros, R2, AEG, Adeza and Adiana. The success of these acquisitions will depend on

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our ability to realize the anticipated benefits from combining the acquired businesses with our business. We may fail to realize these anticipated benefits for a number of reasons, including the following:

problems may arise with our ability to successfully integrate the acquired businesses, which may result in us not operating as effectively and efficiently as expected, and may include:

diversion of management time, as well as a shift of focus from operating the businesses to issues related to integration and administration or inadequate management resources available for integration activity and oversight;

failure to retain and motivate key employees;

failure to successfully manage relationships with customers, distributors and suppliers;

failure of customers to accept new products;

failure to effectively coordinate sales and marketing efforts;

failure to combine product offerings and product lines quickly and effectively;

failure to effectively enhance acquired technology and products or develop new products relating to the acquired businesses;

potential difficulties and inefficiencies in managing and operating businesses in multiple locations or operating businesses in which we have either limited or no direct experience;

potential difficulties integrating financial reporting systems;

potential difficulties in the timely filing of required reports with the SEC;

potential difficulties in implementing controls, procedures and policies, including disclosure controls and procedures and internal controls over financial reporting, appropriate for a larger public company at companies that, prior to the acquisition of such companies, had lacked such controls, procedures and policies, which may result in ineffective disclosure controls and procedures or material weaknesses in internal controls over financial reporting;

we may not be able to achieve the expected synergies from an acquisition or it may take longer than expected to achieve those synergies;

- an acquisition may result in future impairment charges related to diminished fair value of businesses acquired as compared to the price we paid for them;

- an acquisition may involve restructuring operations or reductions in workforce which may result in substantial charges to our operations;

- an acquisition may involve unexpected costs or liabilities, or the effects of purchase accounting may be different from our expectations; and

- the acquired businesses may be adversely affected by future legislative, regulatory, or tax decisions and/or changes as well as other economic, business and/or competitive factors.

Our acquisition of AEG, which conducts its business worldwide, with headquarters in Germany and manufacturing operations in Germany and China, is also subject to the additional challenges and risks associated with volatility in the market for organic photoconductor coatings used for laser printer cartridges, and our international operations, including those related to integration of operations across different cultures and languages, currency risk and the particular economic, legal, political and regulatory risks associated with specific countries.

Our failure to realize the anticipated benefits from combining the acquired businesses could harm our business and prospects and adversely affect the market price of our common stock.

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The current levels of growth in the markets for our direct-to-digital full-field mammography products and endometrial ablation procedures, such as our NovaSure System, may not continue to develop as expected or be indicative of future growth.

Demand for newly introduced technologies or treatments can initially be exaggerated as supply increases to meet pre-existing demand. However, once the pre-existing demand is met, growth in the market may abruptly stop or significantly slow. The markets for our direct-to-digital full-field mammography products and endometrial ablation procedures, such as our NovaSure System, may not continue to develop as current levels of growth and demand may indicate and we cannot predict when, or at what rate, this demand may stop or decline in growth.

There is a significant installed base of conventional screen-film mammography products in hospitals and radiological practices. The use of our direct-to-digital mammography products in many cases would require these potential customers to replace their existing x-ray imaging equipment. Moreover, as digital mammography products are generally more expensive than conventional screen-film mammography products, we believe that a major factor in the market s acceptance of digital mammography products has been and will continue to be based upon the benefits of digital technology as compared to less expensive technologies. As a result, the market for our digital mammography products has and will continue to be affected by published studies and reports relating to the comparative efficacy of digital mammography products. The publication of an adverse study could significantly impair the adoption of this technology and harm our business. Similarly, we cannot assure you that we will be successful in continuing to attract physicians and women to use the NovaSure System, or whether or not evolving trends in the treatment of excessive menstrual bleeding will favor new endometrial ablation procedures as compared to traditional approaches.

If the demand for our direct-to-digital mammography products and treatments like the NovaSure System were to stop abruptly or begin to decline, our operating results and profitability could be adversely affected.

The success of our ThinPrep System depends upon the cost and continued market acceptance of our ThinPrep System products.

The success of our ThinPrep System depends on the continued market acceptance of our ThinPrep System and ThinPrep Imaging System, including any follow-on applications of ThinPrep technology. The laboratory cost of using the ThinPrep System and ThinPrep Imaging System for cervical cancer screening, both together and individually, is higher than that of a conventional Pap smear and, we believe, competing liquid-based slide preparation systems. Due in part to increased competitive pressures in the cytology screening market and healthcare industry to reduce costs, our ability to continue to gain market acceptance of the ThinPrep System and follow-on products will depend on our ability to demonstrate that the higher cost of using the ThinPrep System is offset by (i) a reduction in costs often associated with conventional Pap smears or competing liquid-based slide preparation systems, such as inaccurate diagnoses and the need for repeat Pap smears, as well as (ii) the ability to conduct additional testing, such as testing for the HPV, Chlamydia trachomatis and Neisseria gonorrhea on samples collected in a ThinPrep vial of preservative. In particular, for the ThinPrep Imaging System, we will need to work with healthcare providers, insurance companies and other third-party payors, and clinical laboratories to reinforce the known clinical efficacy and cost-effectiveness of the ThinPrep Imaging System.

We are dependent upon a relatively small number of large clinical laboratory customers in the United States for a significant portion of our sales of the ThinPrep System.

We are dependent upon a relatively small number of large clinical laboratory customers in the United States for a significant portion of our sales of the ThinPrep System. Due in part to a trend toward consolidation of clinical laboratories in recent years and the relative size of the largest United

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States laboratories, it is likely that a significant portion of ThinPrep System sales will continue to be concentrated among a relatively small number of large clinical laboratories. Our business and prospects may be harmed if we are unable to increase sales to, or maintain pricing levels with our existing customers and establish new customers both within and outside the United States.

Our success will depend on new product development.

We have continuing research and development programs designed to develop new products and to enhance and improve our products. We are expending significant resources on the development of digital x-ray imaging products, including the development of a digital mammography product to perform breast tomosynthesis, a 3-dimensional imaging technique as well as on continued product line enhancements. The successful development of our products and product enhancements is subject to numerous risks, both known and unknown, including:

- unanticipated delays;
- access to capital;
- budget overruns;
- third party intellectual property;
- technical problems; and
- other difficulties that could result in the abandonment or substantial change in the design, development and commercialization of these new products, including, for example, changes requested by the FDA in connection with pre-market approval applications for products or 510(k) notification.

Given the uncertainties inherent with product development and introduction, there can be no assurance that any of our product development efforts will be successful on a timely basis or within budget, if at all. Our failure to develop new products and product enhancements, such as our digital mammography tomosynthesis product, on a timely basis or within budget could harm our business and prospects and could adversely affect the market price of our common stock.

The markets for and future growth of our products and treatments may not develop as expected.

There can be no assurance that our existing products or treatments, or the enhancement of products or treatments will be commercially successful. The successful commercialization of our products and treatments are subject to numerous risks, both known and unknown, including:

- uncertainty of the development of a market for such product or treatment;
- trends relating to, or the introduction or existence of, competing products, technologies or alternative treatments or therapies that may be more effective, safer or easier to use than our products, technologies, treatments or therapies;
- perceptions of our products or treatments as compared to other products and treatments;

recommendation and support for the use of our products or treatments by influential customers, such as hospitals, radiological practices, breast surgeons and radiation oncologists and treatment centers;

the availability and extent of data demonstrating the clinical efficacy of our products or treatments;

competition, including the presence of competing products sold by companies with longer operating histories, more recognizable names and more established distribution networks; and

other technological developments.

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Often, the development of a significant market for a product or treatment will depend upon the establishment of a reimbursement code or an advantageous reimbursement level for use of the product or treatment. Moreover, even if addressed, such reimbursement codes or levels frequently are not addressed until after a product or treatment is developed and commercially introduced, which can delay the successful commercialization of a product or treatment. If we are unable to successfully commercialize and create a significant market for our products and treatments, such as our digital mammography tomosynthesis product, due to, among other things, the lack of reimbursement codes or disadvantageous reimbursement levels for such products or treatments, our business and prospects could be harmed and the market price of our common stock could be adversely affected.

We may not be successful in growing our international sales, which could have a material adverse effect on our business and financial condition.

We cannot guarantee that we will successfully continue to develop international sales channels or capabilities that will enable us to generate significant revenue from international sales. We may not be able to obtain favorable third-party reimbursements and required regulatory approvals in foreign countries. Failure to continue to increase international sales could harm our business and prospects.

Our success depends on our ability to manage growth effectively.

Our operations and facilities, including the number of employees and the geographic area of operations, have grown rapidly, and our operations and facilities are expected to continue to grow. Our failure to manage growth effectively could harm our business and prospects. Such growth may significantly strain our managerial, operational and financial resources and systems. To manage such growth effectively, it is expected that we will continue to implement and improve additional management and financial systems and controls, and to effectively retain, expand, train and manage our employee base.

Our business could be harmed if we infringe upon the intellectual property rights of others.

There has been substantial litigation regarding patent and other intellectual property rights in the medical device and related industries. We have been involved in infringement litigation, and may in the future be notified that we may be infringing intellectual property rights possessed by third parties.

For example, in October 2007, Ethicon Endo-Surgery, Inc., a Johnson & Johnson operating company (Ethicon), filed a complaint against us and our wholly-owned subsidiary Suros. The complaint alleges that certain of the ATEC biopsy systems manufactured and sold by Suros infringe four Ethicon patents. The complaint seeks to enjoin us and Suros from infringing the patents as well as the recovery of damages and costs resulting from the alleged infringement.

In connection with litigation or if any claims are asserted against our intellectual property rights, we may seek to enter into royalty or licensing arrangements. There is a risk in these situations that no license will be available or that a license will not be available on reasonable terms. Alternatively, we may decide to litigate such claims or to design around the patented technology. These actions could be costly and would divert the efforts and attention of our management and technical personnel. As a result, any infringement claims by third parties or claims for indemnification by customers resulting from infringement claims, whether or not proven to be true, may harm our business and prospects.

If we fail to achieve and maintain the high manufacturing standards that our direct radiography products require, we may not be successful in developing and marketing those products.

The manufacture of our direct radiography detectors is highly complex and requires precise high quality manufacturing that is difficult to achieve. We have in the past and may in the future experience

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difficulties in manufacturing these detectors in sufficient quantities, primarily related to delays and difficulties in obtaining critical components for these detectors that meet our high manufacturing standards. Our initial difficulties led to increased delivery lead-times and increased costs of manufacturing these products. Our failure, including the failure of our contract manufacturers, to achieve and maintain the required high manufacturing standards could result in further delays or failures in product testing or delivery, cost overruns, product recalls or withdrawals, increased warranty costs or other problems that could harm our business and prospects.

The uncertainty of healthcare reform could harm our business and prospects.