

Edgar Filing: REGENERATION TECHNOLOGIES INC - Form 425

REGENERATION TECHNOLOGIES INC

Form 425

February 19, 2008

Filed by Tutogen Medical, Inc.
Pursuant to Rule 425 under the Securities
Act of 1933 and deemed filed pursuant to
Rule 14a-6 under the Securities
Exchange Act of 1934
Subject Company: Regeneration Technologies, Inc.
Commission File No.: 333-148305

Forward Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include but are not limited to statements about the expected benefits of the business combination involving Regeneration Technologies, Inc. and Tutogen Medical, Inc., including potential synergies and cost savings, future financial and operating results, and the combined company's plans and objectives. In addition, except for historical information, any statements made in this communication about anticipated financial results, growth rates, new product introductions, future operational improvements and results, regulatory approvals or changes to agreements with distributors also are forward-looking statements. Forward-looking statements are subject to risks and uncertainties, including the ability of Regeneration Technologies and Tutogen to integrate their businesses successfully and to realize the expected synergies and cost savings from the merger and the risks described in public filings by Regeneration Technologies and Tutogen on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results reflected in these forward-looking statements. Copies of Regeneration Technologies' SEC filings may be obtained by contacting Regeneration Technologies or the SEC or by visiting Regeneration Technologies' Web site at www.rtix.com or the SEC's Web site at www.sec.gov. Copies of Tutogen's SEC filings may be obtained by contacting Tutogen or the SEC or by visiting Tutogen's Web site at www.tutogen.com or the SEC's Web site at www.sec.gov.

Important Additional Information and Where to Find It

The proposed merger will be submitted to the respective stockholders of Regeneration Technologies and Tutogen for their consideration, and Regeneration Technologies and Tutogen have filed a registration statement, a joint proxy statement/prospectus and other relevant documents concerning the proposed transaction with the SEC. Shareholders are urged to read the registration statement and the joint proxy statement/prospectus regarding the proposed merger and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they contain important information. You can obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about Regeneration Technologies and Tutogen, at the SEC's Internet site (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, at RTI's Web site (<http://www.rtix.com>) or Tutogen's Web site (<http://www.tutogen.com>). Copies of the joint proxy statement/prospectus and the SEC filings that are incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to Thomas F. Rose, Vice President and CFO, Regeneration Technologies, Inc., PO Box 2650, Alachua, FL 32616 or to L. Robert Johnston, Jr., CFO, Tutogen Medical, Inc., 13709 Progress Blvd., Box 19, Alachua, FL 32615.

Regeneration Technologies and Tutogen, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies from the stockholders of Regeneration Technologies and Tutogen in connection with the proposed merger. Information about the directors and executive officers of Regeneration Technologies and their ownership of Regeneration Technologies common stock is set forth in the proxy statement, dated March 30, 2007, for Regeneration Technologies' annual meeting of stockholders, as filed with the SEC on a Schedule 14A. Information about the directors and executive officers of Tutogen and their ownership of Tutogen common stock is set forth in Tutogen's Annual Report on Form 10-K for the fiscal year ended September 30, 2007. Additional information regarding the interests of those participants and other persons who may be deemed participants in the merger may be obtained by reading the joint proxy statement/prospectus regarding the proposed merger filed with the SEC on January 23, 2008. You may obtain free copies of these documents as described in the preceding paragraph.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

The following is Tutogen Medical, Inc.'s presentation for the ROTH Growth Stock Conference held on February 19, 2008.

Tutogen Medical, Inc.
ROTH Growth Stock Conference
February 2008
AMEX: TTG

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FORWARD LOOKING STATEMENT

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include but are not limited to

statements
about
the
expected
benefits
of
the
business
combination
involving
Regeneration
Technologies,
Inc
and
Tutogen
Medical,
Inc.,
including
potential
synergies
and
cost
savings,
future
financial
and
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results,
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combined
company's
plans
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objectives.
In
addition,
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historical
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product
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Forward-looking
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businesses
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Commission.
Actual
results
may
differ
materially
from
anticipated
results
reflected
in
these
forward-looking
statements.
Copies
of
Regeneration
Technologies'
S.E.C.
filings
may
be
obtained
by
contacting
Regeneration
Technologies

or
the
S.E.C.
or
by
visiting
Regeneration
Technologies'
Web
site
at
www.rtx.com
or
the
S.E.C.'s
Web
site
at
www.sec.gov.

3
The
proposed
merger
will
be
submitted
to
the
respective
stockholders
of
Regeneration
Technologies
and
Tutogen
for
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consideration,
and
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as
other
filings
containing
information
about
Regeneration
Technologies
and
Tutogen,
at
the
SEC's
Internet
site
(<http://www.sec.gov>).

You
will
also
be
able
to
obtain
these
documents,
free
of
charge,
at
RTI's
website
(<http://www.rtix.com>)

or
Tutogen's
website (<http://www.tutogen.com>). Copies of the joint proxy statement/prospectus and the SEC filings that are incorporated by
reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to Thomas F. Ros
President
and
CFO,
Regeneration
Technologies
Inc.,
PO
Box

2650,
Alachua,
FL
32616
or
to
L.
Robert
Johnston,
CFO,
Tutogen
Medical
Inc.,
13709 Progress Blvd., Box 19, Alachua, FL 32615.
Regeneration
Technologies
and
Tutogen,
and
their
respective
directors
and
executive
officers,
may
be
deemed
to
be
participants
in
the
solicitation
of
proxies
from
the
stockholders
of
Regeneration
Technologies
and
Tutogen
in
connection
with
the
proposed
merger.

Information
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Regeneration
Technologies
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ownership
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Regeneration
Technologies
common
stock
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statement,
dated
March
30,
2007,
for
Regeneration
Technologies
annual
meeting
of
stockholders,
as
filed
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SEC
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Schedule
14A.
Information
about
the
directors

and
executive
officers
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Tutogen
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their
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Tutogen
common
stock
is
set
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in
Tutogen's
Annual
Report
on
Form
10K
for
the
fiscal
year
ended
September
30,
2007.
Additional
information
regarding
the
interests
of
those
participants
and
other
persons
who
may
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deemed
participants
in
the
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joint
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statement
/prospectus
regarding
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merger
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SEC
on
January
23,
2008.
You
may
obtain
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of
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preceding
paragraph.

MORE INFORMATION

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MERGER ANNOUNCEMENT

On November 13, 2007,
Regeneration Technologies, Inc. and
Tutogen Medical, Inc. announced a merger
to create the leading provider
of sterile biologic solutions
for patients around the world,
reaching a broad range of markets
and medical specialties
with a diversified mix of implants
through established distribution channels.

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ABOUT THE TRANSACTION

Terms of the deal:

Tax-free, stock-for-stock exchange

Tutogen shareholders will receive 1.22 shares of newly issued RTI common stock in exchange for each share of Tutogen common stock they own

Expect to close in Q1 2008, subject to regulatory and other customary conditions

Pro forma ownership of the combined company*:

~ 55% RTI shareholders

~ 45% TTG shareholders

*Ownership of the company on a diluted basis

56 million shares outstanding

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COMBINED LEADERSHIP

Executive Leadership:

Brian Hutchison, Chairman and CEO

Guy Mayer, President

focused on international activities and sales and marketing

Tom Rose, VP, CFO and Secretary

Bob Johnston, VP Finance

Board of Directors:

Total of 12 directors

Seven directors from RTI board, including Hutchison

Five members of Tutogen board, including Mayer

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IMPLANT SEGMENTS

Int'l

6%

Spine

43%

Other

26%

Sports

Med

25%

Int'l

28%

Dent.

48%

Spine

10%

Other

14%

Other

6%

Spine

32%

Dental

17%

Int'l

14%

Surgical
Spec
5%
BGS
10%
Sports
Med
16%
+
RTI
Tutogen
Combined
Company

8
COMBINED IMPLANT SEGMENTS
RTI
Tutogen
Combined
Spine
Sports Medicine
Bone Graft Substitutes
General Orthopedic
Other

Dental
Urology
Hernia
Ophthalmology
Breast Reconstruction
ENT
International

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COMBINED FINANCIAL HIGHLIGHTS

>\$30 million in cash at Dec. 31, 2007 and generate positive operating cash flow

Strong balance sheet with very little debt

Accretive to RTI s

2008 GAAP earnings per share

\$5-6MM of identified 2008 cost savings when fully implemented

Significant revenue enhancement opportunities

10
COMBINED REVENUE
Tutogen and RTI
Revenue Comparison
Calendar Year 2007 vs. 2006
31.4%
32.4%
34.7%
30.8%
27.2%
Revenue Growth
\$36,172
\$9,902
\$10,035
\$8,743
\$7,492
Revenue Growth
\$115,346
\$30,554
\$28,909
\$28,343
\$2,750
2006
\$151,518
\$40,456
\$38,944
\$37,086
\$3,502

Combined Revenue:

2007

Total

Q4

Q3

Q2

Q1

Calendar Year

11

Tutogen is a leading worldwide manufacturer and supplier of sterile biological implants made from human (allograft) and animal (xenograft) soft tissue and bone

The Company is the only biologics manufacturer worldwide able to claim a 100% sterile full product complement using the Company's Tutoplast process

Operates in a more than \$1 billion market

21% 5-Year Revenue Compound Annual Growth Rate

Strong leading distribution partners: Zimmer Dental, Zimmer Spine, Davol, Mentor, Coloplast and IOP

Company Overview

\$20.7

\$30.3

\$29.3

\$31.9

\$37.9

\$53.8

\$0

\$10

\$20

\$30

\$40

\$50

\$60

2002

2003

2004

2005

2006

2007

Fiscal Year Ending 9/30

Revenue

12

Tutoplast

®

Process Production Flow

DELIPIDIZATION

OSMOTIC TREATMENT

OXIDATIVE TREATMENT

DEHYDRATION

TISSUE DONATION

PRECISION MACHINING

STERILIZATION

INCOMING INSPECTION

PACKAGING

Multi-step Process

Substantially eliminates

all types of pathogens

More than 1.5 million

grafts implanted

With an unblemished

30 year safety record

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Advantages of Tutoplast Process

Inactivates and removes bacteria

Removes lipids

Inactivates prion

activity

Removes antigenicity

Eliminates viral infectivity by a safety margin of 5 log (100,000 times)

Breaks down RNA and DNA into fragments not capable of replication and disease transmission

Preserves biological and mechanical properties
Meets and exceeds regulatory requirements
Terminally sterilized and packaged in double pouch
Stores at room temperature

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U.S. Market Size:

\$1.25 Billion*

Addressable Markets

Spine, \$656

Hernia

\$150

Dental, \$174

Surgical

Specialty,

\$279

Urology

Obstetrics/Gynecology

Breast Reconstruction

Ophthalmology

Ear Nose & Throat (ENT)

*Source:
Internal
Estimates
and
Orthopedic
Network
News,
October
2005

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Partnership

Zimmer Dental, Inc.

-

subsidiary of Zimmer Holdings (NYSE: ZMH)

Valued partner since Sept. 2000

Worldwide

New Agreement Completed August 2007

Products and Applications

Puros

Block Allograft increases bone volume for surgical ridge augmentation

Puros

Cortical Particulate Allograft provides the necessary bony structure needed to support subsequent dental implants

Puros

Cancellous Particulate Allograft provides complete and effective bone regeneration

Puros

Pericardium for guided bone regeneration in ridge augmentation

Puros

Dermis

used

for

vertical

and

horizontal

soft

tissue

augmentation

Initiatives

Expansion into International Markets

New Products

Single Tooth Block, Bovine Pericardium

Markets

Global market \$350 million / U.S. market is \$174 million

Expected to grow 15.3% annually thru 2014

Dental Market

16
U.S. Quarterly Dental Sales
(Jan. 2002 to December 2007)
Quarterly Dental Sales
\$0
\$1,000
\$2,000
\$3,000
\$4,000
\$5,000
\$6,000
\$7,000
\$8,000

Good market growth

Puros

Bone at about a 20%
market share

Strong brand recognition

Good clinical outcomes

Zimmer educational
forums

Support from opinion
leaders
Continued growth

New Products Released in
Past Year

Puros
Dermis

Puros
Pericardium

Addition of xenograft
(bovine) pericardium for
U.S. Market
early 2008

17
Dental Accounts Growth
Past 18 Months
0
50
100
150
200
250
300

18

International Dental Opportunity

Total Market-\$180 million

Several regulatory approvals already in place

Exclusive Distributorship in over 30 countries including

Germany-large dental implant market-large potential

Full line of allograft and xenograft

products to promote bone

growth for dental implants

Zimmer became our stocking Distributor effective August 2007

International Dental Revenues grew by 87% during our 1

st

quarter.

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Spine Market

Estimated 2005 U.S. Machined Bone Market

\$321 Million, 18% growth*

Estimated percent of time bone is used in
Spinal fusion procedures

ALIF

12%

Cervical

68%

PLIF

72%

TLIF

9%

Current Focus on Machined Bone

New Products shipped to Zimmer

Puros

C for Cervical procedures

Puros

A for ALIF procedures

Puros **P for PLIF procedures**

Bone Graft Substitute Market

Machined

Bone

49%

Allograft Bone

19%

Demineralized

Bone Matrix

32%

*Source: Orthopedic Network News, October 2005

20
Partnership

Zimmer Spine, Inc.
-
subsidiary of
Zimmer Holdings (NYSE: ZMH)

Valued partner since Sept. 2000

U.S. & Canada
Products and Applications

Puros

Bone
for
enhancing
interbody
fusion

Traditional bone

Specialty Machined grafts

Cervical Grafts, ALIF and PLIF
Initiatives

First new products designed and manufactured in
the U.S. shipped in H2 2006

Puros
C, for cervical applications

Puros
A, new ALIF

Puros
P, new PLIF

Two to three new products by mid 2008
Markets

Worldwide market \$1,200 million

U.S. market is \$656 million*

Expected to grow at a 16% CAGR*
Spine Market

*Source: Orthopedic Network News, October 2005

21
NEW Partnership

Davol
Inc.
subsidiary of CR Bard, Inc.
(NYSE: BCR)

Market leader (60%) in estimated
\$500 million worldwide market
Products and Applications

Repair of hernias and reconstruction of the

chest and abdominal walls

AlloMax-human dermis product
Initiatives

Training sales force

Product released in 2
nd
Quarter 2007

Clinical Case Studies on-going
Markets

Worldwide market \$500 million

U.S. Market \$150
million

Expected to grow at a 18% CAGR
Hernia Market

22

Breast Reconstruction
NEW Partnership

Mentor Corporation (NYSE: MNT)

Market leader in Breast Implants
Applications and Products

Breast Reconstruction following
Mastectomy

NeoForm

Human Dermis
Initiatives

Training sales force

Product introduced in 2
nd
Quarter to clinical
sites

Product launched July 2007
Markets

Currently a \$50 Million market with the
potential of \$100 Million

23

International Business

Projected Sales Mix, by specialty

Membranes

36%

Orthopaedic

35%

Sports

Medicine

3%

Tissue Service

10%

Dental

16%

Distributor Based Sales

60% Membranes / 40% Bone

65% Human / 35% Bovine

Strategy Driving Global Agreements

Davol Hernia Repair Signed January 2006

Coloplast Agreement in Urology/Gynecology Signed May 2007

Zimmer Dental Agreement Signed August 2007 -

\$1.0M initial stocking order Aug 2007

Sales increased 27% in 2007 compared to 2006; 32% for FY1Q 2008 compared to FY1Q 2007

24

Bovine Initiatives

30%-35% of international sales are bovine products

Tutogen to introduce bovine pericardium product to U.S. marketplace through Zimmer Dental-January 2008

Tutogen to introduce bovine pericardium product for hernia repair in U.S. to initial clinical sites over the next 12 months

Coloplast distribution agreement expanded to international markets to include bovine products

Zimmer Dental distribution agreement expanded to international to include bovine products

25
Revenues for Years Ended
September 30, 2007 and 2006 (in 000 s)
Years Ended September 30,
%
2007
2006
Change
Dental
\$24,329
\$17,616
38%
Spine
\$5,516
\$2,877

92%
Surgical Specialties
\$8,139
\$4,937
65%
Total U.S. Revenues
\$37,984
\$25,430
49%
International Revenues
\$15,835
\$12,517
27%
Total Consolidated Revenues
\$53,819
\$37,947
42%

26
Revenues for Quarters Ended
December 31, 2007 and 2006 (in 000 s)
Quarters Ended December 31,
%
2007
2006
Change
Dental
\$6,720
\$5,286
27%
Spine
\$1,150

\$1,293

-11%

Surgical Specialties

\$2,683

\$1,554

73%

Total U.S. Revenues

\$10,553

\$8,133

30%

International Revenues

\$4,402

\$3,330

32%

Total Consolidated Revenues

\$14,955

\$11,463

30%

27

Quarterly Financials

\$11.5

\$13.0

\$14.2

\$15.2

\$15.0

\$0

\$2

\$4

\$6

\$8

\$10

\$12

\$14

\$16

Dec. '06

Mar. '07

June '07

Sep. '07

Dec. '07

Revenue

Net Income

* Includes \$1.6million in costs related to the proposed merger. Excluding these costs, the company would have generated a \$343K profit or a \$.02 per share.

\$0.4

\$0.9

\$0.9

-\$0.4

-\$1.3

Dec. '06

Mar. '07

June '07

Sep. '07

Dec. '07

28

Balance Sheet as of December 31, 2007

Cash

\$11.1M

Accounts Receivable

\$7.5M

Inventory

\$19.0M

Other

\$4.3M

Total Current Assets
\$41.9M
Total Assets
\$59.8M
Total Current Liabilities
\$13.8M
Long Term Debt
\$3.2M
Other
\$2.5M
Total Liabilities
\$19.5M
Total Shareholders' Equity
\$40.3M
Total Liabilities &
Shareholders' Equity
\$59.8M

Tutogen Medical, Inc.
ROTH Growth Stock Conference
February 2008
AMEX: TTG