

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): July 12, 2006

ANGIODYNAMICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-50761

(Commission File Number)

11-3146460

(IRS Employer Identification No.)

603 Queensbury Avenue, Queensbury, New York

(Address of Principal Executive Offices)

12804

(Zip Code)

(518) 798-1215

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On July 12, 2006, AngioDynamics, Inc. (“AngioDynamics”) entered into an amendment (“Amendment”) to its Supply and Distribution Rights Agreement dated October 17, 2005 (the “Agreement”) with Bioniche Pharma Group Limited (“Bioniche”). A description of the material terms and conditions of the Agreement are set forth in Item 1.01 of the Current Report on Form 8-K filed by AngioDynamics on October 19, 2005. On July 13, 2006, AngioDynamics issued a press release announcing its entry into the Amendment, a copy of which is filed as Exhibit 99.1 to this report.

The Amendment effects the following material changes to the Agreement:

- 1) The Amendment expands the “Field” (*i.e.*, the persons for whom AngioDynamics is to have co-exclusive (with Bioniche) marketing rights and exclusive distribution rights in the United States for Bioniche’s sodium tetradecyl sulfate product (“Product”)) beyond the categories of physicians initially defined as the Field to include all “persons,” which may include hospital pharmacies, group purchasing organizations and wholesalers, as well as any physicians in the United States, for use in the treatment of varicose veins or other vascular indications. Within 21 days after the date of execution of the Amendment, Bioniche and its affiliates are to take all reasonable commercial efforts to terminate any existing relationships or outstanding commitments with all other persons relating to the sale and/or distribution of Product in the United States. If, after such time, Bioniche or its affiliates are required to deliver Product to third persons for sale and/or use in the United States, all such deliveries are to be credited towards AngioDynamics’ minimum purchase requirements and towards its “run rates,” as described in Item 4, below, as well as against the \$3,600,000 payment required to be made in the second contract year, as described in Item 2, below.
- 2) The Amendment adds a requirement that AngioDynamics purchase a minimum of \$3,600,000 of Product in the second contract year (*i.e.*, the period July 1, 2006 through June 30, 2007). If AngioDynamics fails to do so it is required to pay Bioniche the difference between \$3,600,000 and the amount paid by AngioDynamics for Product in that contract year.
- 3) The Amendment adds the requirement that AngioDynamics make three milestone payments due 30 days after achieving certain cumulative sales of Product. Payments of \$500,000, \$1,000,000 and \$1,000,000 are due upon achieving cumulative sales of \$10,000,000, \$25,000,000 and \$50,000,000, respectively. Upon making each milestone payment, AngioDynamics will have the right to extend the initial term of the Agreement (which ends on June 30, 2012) for one year (upon making the first milestone payment) and two years (upon making each of the second and third milestone payments). If AngioDynamics should lose any of its exclusive distribution rights under the

Agreement, as amended, any milestone payments not yet made would not be required to be made. In addition, if AngioDynamics should lose any of its exclusive distribution rights for the expanded Field, as described in Item 4, below, and Bioniche appoints another exclusive distributor for the expanded Field, any such milestone payments previously made would be returned to AngioDynamics.

- 4) The Amendment adds a requirement that AngioDynamics achieve certain monthly levels of commercial sales, or “run rates,” during the third, fourth and fifth contract years, as well as increasing the minimum annual purchase requirements for those contract years. Failure to achieve such sales levels for any three consecutive months will result in the loss of AngioDynamics’ exclusive distribution rights under the Agreement for the expanded Field, but not for the physicians that initially comprised the Field under the Agreement. Similarly, failure to make the new minimum annual purchases in any such contract year, unless cured as provided in the Agreement, will result in a loss of exclusive rights under the Agreement for the expanded Field, but not for the initial Field, provided AngioDynamics continues to meet the minimum annual purchase requirements set forth initially in the Agreement.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits.

99.1 Press release dated July 13, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 13, 2006

ANGIODYNAMICS, INC.
(Registrant)

By: /s/ Joseph G. Gerardi
Joseph G. Gerardi
Vice President, Chief Financial Officer

EXHIBIT INDEX

Exhibit

99.1 [Press release dated July 13, 2006.](#)

**Company Contacts:**AngioDynamics, Inc.

Joe Gerardi

(800) 772-6446 x115

<http://www.angiodynamics.com/>**Investor Relations Contacts:**Lippert/Heilshorn & Associates, Inc.Kim Sutton Golodetz (kgolodetz@lhai.com)

(212) 838-3777

Bruce Voss (bvoss@lhai.com)

(310) 691-7100

ANGIODYNAMICS TO BE EXCLUSIVE DISTRIBUTOR OF SOTRADECOL IN ALL U.S. MARKETS

QUEENSBURY, N.Y. (July 13, 2006) — **AngioDynamics, Inc.**, (NASDAQ: ANGO) today announced that it has amended its agreement with Bioniche Pharma Group Limited to expand its market to be the sole distributor of Sotradecol™ for the treatment of small, uncomplicated varicose veins and other vascular indications in all markets in the United States. Bioniche has agreed to use all reasonable commercial efforts to terminate its relationships with other parties who sell or distribute Sotradecol in the U.S.

The amended agreement gives AngioDynamics exclusive rights to distribute Sotradecol to all markets, including all physicians, hospital pharmacies, group purchasing organizations, and wholesalers, in the United States. AngioDynamics is to be the sole source vendor for Sotradecol in the U.S. The previous agreement limited sales to interventional radiologists, vascular surgeons, general surgeons, and certain other physician specialties.

Sotradecol is the only FDA-approved, sodium tetradecyl sulfate injection in the United States. Sotradecol is used in sclerotherapy, a non-surgical procedure to treat unsightly spider veins. An estimated 1.7 million patients undergo sclerotherapy each year in the U.S. AngioDynamics estimates the current total sclerotherapy market size in the U.S. to be approximately \$70 million. Compounded agents, including the non-FDA approved polidocanol, currently dominate the sclerotherapy market. Based on the amended agreement, AngioDynamics anticipates the incremental sales of Sotradecol to be at least \$3.0 million in fiscal 2007.

Commenting for AngioDynamics, President and CEO, Eamonn P. Hobbs said, "We are thrilled that we are to be the only distributor of Sotradecol in the U.S. and that customers will now be certain as to where to purchase the product. This amended agreement allows us to provide greater treatment options to more physicians, helping them to better serve their patients who suffer from varicose veins. In addition to our laser system for the treatment of large varicose veins, we can now offer Sotradecol to all physicians in the U.S. for the treatment of smaller veins."

David Doster, Product Manager for VenaCure® products remarked, "Sotradecol is a great addition to our VenaCure product line. This amendment will allow AngioDynamics to market Sotradecol to all physicians within the U.S., and we expect that it will significantly improve our position in the venous disease market by providing access to additional vein treatment centers and new vein treatment customers."

About AngioDynamics

AngioDynamics, Inc. (www.angiodynamics.com) is a leading provider of innovative medical devices used by interventional radiologists, vascular surgeons and other physicians for the minimally invasive diagnosis and treatment of peripheral vascular disease. AngioDynamics, Inc. designs, develops, manufactures and markets a broad line of therapeutic and diagnostic devices that enable interventional physicians, such as interventional radiologists, vascular surgeons and others, to treat peripheral vascular diseases and other non-coronary diseases. The Company's diverse product line includes angiographic catheters, hemodialysis catheters, endovascular laser venous system products, PTA dilation balloon catheters, image-guided vascular access products, thrombolytic products and drainage products.

The statements made in this document contain certain forward-looking statements that involve a number of risks and uncertainties. Words such as "expects," "intends," "anticipates," "plans," "believes," "seeks," "estimates," or variations of such words and similar expressions, are intended to identify such forward-looking statements. Investors are cautioned that actual events or results may differ from the Company's expectations. In addition to the matters described above, the ability of the Company to develop its products, future actions by the FDA or other regulatory agencies, results of pending or future clinical trials, results of pending patent litigation, overall economic conditions, general market conditions, market acceptance, foreign currency exchange rate fluctuations, the effects on pricing from Group Purchasing Organizations, competition, as well as the risk factors listed from time to time in the SEC filings of AngioDynamics, Inc., including but not limited to its Annual Report on Form 10-K for the year ended May 28, 2005, may affect the actual results achieved by the Company.