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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 2, 2006

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-50761

AngioDynamics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**11-3146460**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
603 Queensbury Ave., Queensbury, New York	**12804**
(Address of principal executive offices)	**(Zip Code)**

(518) 798-1215
Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. Check one:

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 3, 2006, there were 15,623,743 shares of the issuer's common stock outstanding.

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AngioDynamics, Inc. and Subsidiary

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AngioDynamics, Inc. and Subsidiary

CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 2, 2006 (unaudited)	June 3, 2006 (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 70,786	$ 64,042
Marketable securities, at fair value	18,421	25,710
Accounts receivable - trade, net of allowance for doubtful accounts of $468 and $430, respectively	12,135	13,486
Inventories, net	18,421	15,968
Deferred income taxes	814	822
Prepaid expenses and other	1,421	2,128
Total current assets	121,998	122,156
PROPERTY, PLANT AND EQUIPMENT - AT COST, less accumulated depreciation and amortization	10,612	10,802
DEFERRED INCOME TAXES	524	386
INTANGIBLE ASSETS, less accumulated amortization of $1,235 and $1,203, respectively	8,534	3,565
OTHER ASSETS	90	91
TOTAL ASSETS	$ 141,758	$137,000

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiary

CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	September 2, 2006 (unaudited)	June 3, 2006 (audited)
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 3,899	$ 5,791
Accrued liabilities	4,059	4,836
Income taxes payable		407
Current portion of long-term debt	180	180
Total current liabilities	8,545	10,807
LONG-TERM DEBT, net of current portion	2,710	2,755
OTHER LONG-TERM LIABILITIES	3,500	
Total liabilities	14,755	13,562
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, par value $.01 per share - 5,000,000 shares authorized; no shares issued and outstanding		
Common stock, par value $.01 per share - 45,000,000 shares authorized; issued and outstanding 15,541,236 shares at September 2, 2006 and 15,469,431 shares at June 3, 2006	155	155
Additional paid-in capital	121,872	120,219
Retained earnings	5,044	3,146
Accumulated other comprehensive loss	(68)	(82)
Total stockholders' equity	127,003	123,438
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 141,758	$137,000

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(in thousands, except per share data)

	Thirteen weeks ended	
	September 2, 2006	August 27, 2005
Net sales	$ 20,265	$ 16,367
Cost of goods sold	8,339	6,847
Gross profit	11,926	9,520
Operating expenses		
Selling and marketing	5,730	4,524
General and administrative	2,746	1,563
Research and development	1,627	1,519
Total operating expenses	10,103	7,606
Operating profit	1,823	1,914
Other income (expenses)		
Interest income	1,042	163
Interest expense	(32)	(37)
Other income	159	39
Income before income tax provision	2,992	2,079
Income tax provision	1,094	786
NET INCOME	$ 1,898	$ 1,293
Earnings per common share		
Basic	$ .12	$ .11
Diluted	$ .12	$ .10

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

Thirteen weeks ended September 2, 2006
(unaudited)
(in thousands, except share data)

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total	Compre-hensive income
	Shares	Amount					
Balance at June 3, 2006	15,469,431	$ 155	$120,219	$ 3,146	$ (82)	$123,438	
Net income				1,898		1,898	$ 1,898
Exercise of stock options	55,783		268			268	
Tax benefit on exercise of stock options			253			253	
Issuance of performance shares	8,437		214			214	
Purchases of common stock under Employee Stock Purchase Plan	7,585		117			117	
Stock-based compensation			643			643	
Implementation of FAS 123R			158			158	
Unrealized gain on marketable securities, net of tax of $27					46	46	46
Unrealized loss on interest rate swap, net of tax of $19					(32)	(32)	(32)
Comprehensive income							$ 1,912
Balance at September 2, 2006	15,541,236	$ 155	$121,872	$ 5,044	$ (68)	$127,003	

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Thirteen weeks ended	
	September 2, 2006	August 27, 2005
Cash flows from operating activities:		
Net income	$ 1,898	$ 1,293
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	312	225
Amortization of bond discounts	(187)	
Tax benefit on exercise of stock options	24	723
Loss (gain) on sale of marketable securities	27	(38)
Deferred income taxes	(132)	(8)
Provision (benefit) for doubtful accounts	38	(7)
Compensation related to stock option plans	643	155
Changes in operating assets and liabilities		
Accounts receivable	1,313	452
Inventories	(2,453)	(734)
Prepaid expenses and other	707	590
Accounts payable and accrued liabilities	(2,019)	(1,214)
Income taxes payable	407	
Net cash provided by operating activities	578	1,437
Cash flows from investing activities:		
Additions to property, plant and equipment	(90)	(559)
Acquisition of patent rights	(1,500)	
Purchases of marketable securities	(25,096)	(8,409)
Proceeds from sale or maturity of marketable securities	32,612	5,516
Net cash provided by (used in) Investing activities	5,926	(3,452)
Cash flows from financing activities:		
Repayment of long-term debt	(45)	(40)
Proceeds from exercise of stock options	268	760
Proceeds from issuance of common stock under the Employee Stock Purchase Plan	117	95
Tax benefit on the exercise of stock options	229	
Payments of costs relating to issuance of common stock	(329)	
Net cash provided by financing activities	240	815
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,744	(1,200)
Cash and cash equivalents		
Beginning of period	64,042	14,498
End of period	$ 70,786	$ 13,298

AngioDynamics, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(unaudited)
(in thousands)

	Thirteen weeks ended	
	September 2, 2006	August 27, 2005
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 32	$ 37
Income taxes	$ 26	$ 91
Supplemental disclosure of non-cash investing and financing activities:		
Acquisition of patent rights	$ 3,500	
Issuance of performance shares	$ 214	

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 2, 2006 and August 27, 2005
(unaudited)

NOTE A - CONSOLIDATED FINANCIAL STATEMENTS

The consolidated balance sheet as of September 2, 2006, the consolidated statement of stockholders' equity and comprehensive income for the thirteen weeks ended September 2, 2006, and the consolidated statements of income and cash flows for the periods ended September 2, 2006 and August 27, 2005, have been prepared by the Company without audit. The consolidated balance sheet as of June 3, 2006, was derived from audited consolidated financial statements. In the opinion of management, all adjustments (which include only normally recurring adjustments) necessary to state fairly the financial position, changes in stockholders' equity and comprehensive income, results of operations and cash flows as of September 2, 2006 (and for all periods presented) have been made.

Certain information and footnote disclosures, normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted. It is suggested that these unaudited interim consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Annual Report on Form 10-K for the fiscal year ended June 3, 2006, filed by the Company on August 11, 2006. The results of operations for the periods ended September 2, 2006 and August 27, 2005 are not necessarily indicative of the operating results for the respective full fiscal years.

The unaudited interim consolidated financial statements include the accounts of AngioDynamics, Inc. and its wholly-owned subsidiary, Leocor, Inc. ("Leocor") (collectively, the "Company"). All significant intercompany balances and transactions have been eliminated. The Company's operations are classified in one segment, peripheral vascular disease, as management of the Company's products and services follows principally the same marketing, production, and technology strategies.

NOTE B - STOCK-BASED COMPENSATION

The Company has two stock-based compensation plans, exclusive of the stock option plans related to the distribution by E-Z-EM, Inc. ("E-Z-EM" or the "Former Parent") of all of its shares of the Company's common stock to the E-Z-EM stockholders in October 2004 (the "Spin-off"). These plans provide for the issuance of up to approximately 3.5 million shares of common stock, which includes an additional 1,000,000 shares authorized by the Company's Board of Directors in August 2006, for issuance under the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan, (the "2004 Plan"), subject to stockholder approval at the annual stockholders meeting scheduled for October 24, 2006.

In connection with the Spin-off, as of October 29, 2004, all outstanding E-Z-EM options ("E-Z-EM Pre-spin Options") were adjusted and Company options (the "Mirror Options") for 421,926 shares of the Company's common stock, with a weighted average price of $4.22, were issued to E-Z-EM option holders. Mirror Options to acquire 32,616 shares of common stock were exercisable as of September 2, 2006, of which options for 24,801 shares expire on or before November 23, 2006. The Company anticipates option holders will exercise these options before such date.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE B - STOCK-BASED COMPENSATION (continued)

On June 4, 2006, the Company adopted Statement of Financial Accounting Standard No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123(R)"), which requires the measurement and recognition of all share-based payment awards made to employees and directors, including stock options and employee stock purchases related to the Company's Employee Stock Purchase Plan (the "Stock Purchase Plan" or "ESPP") based on estimated fair values. SFAS 123(R) supercedes the Company's previous accounting under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), SFAS No. 123, "Accounting for Stock-based Compensation" for non-employees, and related interpretations, for periods beginning in fiscal year 2007. In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 ("SAB 107") relating to SFAS 123(R). The Company has applied the provisions of SAB 107 in its adoption of SFAS 123(R).

The Company adopted SFAS 123(R) using the modified prospective transition method, which requires the application of the accounting standard as of June 4, 2006, the first day of the Company's 2007 fiscal year. The Company's consolidated financial statements as of and for the thirteen weeks ended September 2, 2006, reflect the impact of SFAS 123(R). In accordance with the modified prospective transition method, the Company's consolidated financial statements have not been restated to include the impact of SFAS 123(R). Stock-based compensation expense recognized under SFAS 123(R) for the thirteen weeks ended September 2, 2006, was $422,000, net of income taxes of $221,000. During the thirteen weeks ended August 27, 2005, compensation expense of $22,000 was recognized for options granted to consultants and $133,000 was recognized for restricted stock unit and performance share awards granted to employees.

SFAS 123(R) requires companies to estimate the fair value of share-based payment awards on the date of the grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized on a straight-line basis over the requisite service period in the Company's consolidated statement of income. Prior to the adoption of SFAS 123(R), the Company accounted for stock-based awards to employees and directors using the intrinsic value method in accordance with APB 25 as allowed under SFAS 123. Under the intrinsic value method, no stock-based compensation expense had been recognized in the Company's consolidated statements of income, because the exercise price of the Company's stock options granted to employees and directors was equal to or exceeded the fair market value of the underlying stock on the date of grant.

Stock-based compensation expense recognized in the Company's consolidated statement of income for the thirteen weeks ended September 2, 2006, includes compensation expense for share-based payment awards granted prior to, but not yet vested as of June 3, 2006, based on the grant date fair value estimated in accordance with the pro forma provisions of SFAS 123 and compensation expense for the share-based payment awards granted subsequent to June 3, 2006, based on the grant date fair value estimated in accordance with the provisions of

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE B - STOCK-BASED COMPENSATION (continued)

SFAS 123(R), and has been reduced for estimated forfeitures. SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. In the Company's pro forma information required under SFAS 123 for periods prior to June 4, 2006, forfeitures have been accounted for as they occurred.

For the thirteen weeks ended September 2, 2006, the Company used the Black-Scholes option-pricing model ("Black-Scholes") as its method of valuation under SFAS 123(R) and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. Black-Scholes was also previously used for the Company's pro forma information required by SFAS 123 for periods prior to June 4, 2006. The fair value of share based payment awards on the date of the grant as determined by the Black-Scholes model is affected by the Company's stock price as well as other assumptions. These assumptions include, but are not limited to the expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors.

The weighted-average estimated value of employee stock options granted during the thirteen weeks ended September 2, 2006 was $10.75 using the Black-Scholes model with the following weighted-average assumptions:

	Thirteen weeks ended September 2, 2006
Expected stock price volatility	56.6%
Risk-free interest rate	4.9%
Expected term (in years)	6.1
Expected dividend yield	0

The Company considers historical volatility and trends within the Company's industry/peer group when estimating expected stock price volatility. Prior to the adoption of SFAS 123(R), the Company used its historical volatility and that of a single peer company to calculate expected stock price volatility. The Company uses yield rates on U.S. Treasury securities for a period approximating the expected term of the award to estimate the risk-free interest rate. The expected term is based on historical exercise and forfeiture data, and an estimate of the partial life cycle of unvested options. The dividend yield is based on the history and expectation of dividend payments. Company historical data includes information only from May 2004, which is when the Company's initial public offering.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE B - STOCK-BASED COMPENSATION (continued)

The following table summarizes stock-based compensation in accordance with SFAS 123(R) for the thirteen weeks ended September 2, 2006, which was allocated as follows:

	Thirteen weeks ended September 2, 2006 (in thousands)
Cost of goods sold	$ 89
Sales and marketing	158
General and administrative	272
Research and development	124
Stock-based compensation expense included in operating expenses	554
Total stock-based compensation expense	643
Tax benefit	221
Stock-based compensation expense, net of tax	$ 422

If the Company had elected to recognize compensation expense for the thirteen weeks ended August 27, 2005, based upon the fair value at the grant date for options and awards granted under these plans to employees and to members of the Board of Directors, consistent with the methodology prescribed by SFAS No. 123, the Company's pro forma net income and earnings per common share would be as follows:

	Thirteen weeks ended August 27, 2005 (in thousands)
Net income, as reported	$ 1,293
Add total stock-based compensation recorded under intrinsic value based method for all awards, net of tax effects	88
Deduct total stock-based compensation under fair value based method for all awards, net of tax effects	(274)
Pro forma net income	$ 1,107
Earnings per common share	
Basic - as reported	$ .11
Basic - pro forma	.09
Diluted - as reported	$ .10
Diluted - pro forma	.09

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE B - STOCK-BASED COMPENSATION (continued)

Option Activity

The following schedule summarizes stock option activity as of and for the thirteen weeks ended September 2, 2006:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding at June 3, 2006	1,251,145	$ 13.23		
Granted	308,228	$ 18.40		
Exercised	(55,783)	$ 4.82		
Forfeited	(6,887)	$ 23.30		
Outstanding as of September 2, 2006	1,496,703	$ 14.56	6.86 years	$ 12,059
Exercisable as of September 2, 2006	661,034	$ 9.11	5.92 years	3,456
Expected to vest as of September 2, 2006	682,000	$ 20.19	9.16 years	6,968

All options were granted at exercise prices equal to the quoted market price of the Company's common stock at the date of the grants. Options under these grants vest 25% per year over four years for employees and new directors, 33 1/3% per year over three years for existing directors, and 100% after one year for consultants. All options expire on the tenth anniversary of the grant date. The total intrinsic value of options exercised, excluding Mirror Options, was $124,000 and $303,000 for the thirteen weeks ended September 2, 2006 and August 27, 2005, respectively. The Company generally issues authorized but unissued shares upon stock option exercises and the settlement of performance share awards and restricted stock units.

Non-Vested Stock Awards

The Company values performance share and restricted stock unit awards based on the closing trading value of the Company's shares on the date of grant. The Company recognizes the compensation cost related to its non-vested stock awards ratably over the requisite service period, which is consistent with the treatment prior to the adoption of SFAS 123(R). Under APB 25, the performance share and restricted stock unit awards were accrued as vested and recorded in accrued liabilities. During Q1 2007, the vested performance share awards were issued and the liability for the restricted stock unit awards was reclassified to additional paid-in capital as required by SFAS 123(R).

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE B - STOCK-BASED COMPENSATION (continued)

Information related to non-vested stock awards as of and for the thirteen weeks ended September 2, 2006, is as follows:

	Non-Vested Stock Award Units	Weighted Average Grant-Date Fair Value
Balance as of June 3, 2006	67,500	$ 18.70
Vested	(8,437)	$ 18.70
Balance as of September 2, 2006	59,063	$ 18.70

Unrecognized Compensation Cost

Under the provisions of SFAS 123(R), the Company will recognize the following future expense for awards granted as of September 2, 2006:

	Unrecognized Compensation Cost	Weighted Average Remaining Vesting Period (in years)
Stock options	$ 7,511,000	3.18
Non-vested stock awards	817,000	2.75
	$ 8,328,000	3.15

Unrecognized compensation cost for stock options is presented net of 6.5% assumed annual forfeitures.

Employee Stock Purchase Plan

The Stock Purchase Plan provides a means by which employees of the Company (the “participants”) are given an opportunity to purchase common stock of the Company through payroll deductions. The maximum number of shares to be offered under the Stock Purchase Plan is 200,000 shares of the Company’s common stock, subject to any increase authorized by the Board of Directors. Shares are offered through two overlapping offering periods, each with a duration of approximately 12 months, commencing on the first business day on or after December 1st and June 1st of each year, and each consisting of a series of successive three-month purchase periods. A participant may not participate in more than one offering period at a time. An employee is eligible to participate in an offering period if, on the first day of an offering period, he or she has been employed in a full-time capacity for at least six months, with a customary working schedule of 20 or more hours per week and more than five months in a calendar year. Employees who own stock possessing 5% or more of the total combined voting power or value of all classes of the Company’s stock are not eligible to participate in the Stock

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE B - STOCK-BASED COMPENSATION (continued)

Purchase Plan. The purchase price of the shares of common stock acquired on each purchase date will be the lower of (i) 85% of the fair market value of a share of common stock on the first day of the offering period or (ii) 85% of the fair market value of a share of common stock on the last day of the purchase period, subject to adjustments made by the Board of Directors. The Stock Purchase Plan is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code.

The Company uses the Black-Scholes option pricing model to calculate the purchase date fair value of the shares issued under the Stock Purchase Plan and recognizes expense related to shares purchased ratably over the offering period.

For the thirteen weeks ended September 2, 2006, 7,585 shares were issued at an average price of $15.38 under the Stock Purchase Plan. As of September 2, 2006, 159,612 shares remained available for future purchases under the Stock Purchase Plan.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE C - EARNINGS PER COMMON SHARE

Basic earnings per share are based on the weighted average number of common shares outstanding without consideration of potential common stock. Diluted earnings per share are based on the weighted average number of common and potential common shares outstanding. The calculation takes into account the shares that may be issued upon exercise of stock options and restricted stock unit awards, reduced by the shares that may be repurchased with the funds received from the exercise, based on the average price during the period.

The following table sets forth the reconciliation of the weighted-average number of common shares:

	Thirteen weeks ended	
	September 2, 2006	August 27, 2005
Basic	15,499,981	12,143,287
Effect of dilutive securities	352,108	713,679
Diluted	15,852,089	12,856,966

Excluded from the calculation of diluted earnings per common share, are options issued to employees and non-employees to purchase 453,133 and 18,489 shares of common stock at September 2, 2006 and June 3, 2006, respectively, as their inclusion would not be dilutive. The exercise prices of the excluded options were between $17.25 and $28.45 at September 2, 2006 and between $20.70 and $28.45 at June 3, 2006.

NOTE D - ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss, net of related tax, are as follows:

	September 2, 2006	June 3, 2006
	(in thousands)	
Cumulative loss on interest rate swap	$ (81)	$ (49)
Unrealized holding gain (loss) on marketable securities	13	(33)
Accumulated other comprehensive loss	$ (68)	$ (82)

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE E - MARKETABLE SECURITIES

Marketable securities as of September 2, 2006, consist of the following:

	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair value
		(in thousands)		
U.S. government agency obligations	$ 9,027	$ 32	$ (18)	$ 9,041
Corporate bond securities	9,381	15	(16)	9,380
	$ 18,408	$ 47	$ (34)	$18,421

Marketable securities as of June 3, 2006 consist of the following:

	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(in thousands)		
U.S. government agency obligations	$ 9,329	$ 31	$ (30)	$ 9,330
Auction-rate securities	10,000			10,000
Corporate bond securities	6,436	6	(62)	6,380
	$ 25,765	$ 37	$ (92)	$25,710

As of September 2, 2006, the Company held 10 securities with a fair value of $6,289,000, that had unrealized losses totaling $34,000. As of June 3, 2006, the Company held 11 securities with a fair value of $8,443,000, that had unrealized losses totaling $92,000. During the thirteen weeks ended September 2, 2006, the Company reclassified $17,000 of unrealized holding losses, net of income taxes, from accumulated other comprehensive loss to other income, net, in the consolidated statement of income as marketable securities were sold or matured.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE E - MARKETABLE SECURITIES (continued)

The amortized cost and fair value of marketable securities as of September 2, 2006, by contractual maturity, are shown below. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
	(in thousands)	
Due in one year or less	$ 16,613	$16,625
Due after one through five years	1,795	1,796
	$ 18,408	$18,421

NOTE F - INVENTORIES

Inventories consist of the following:

	September 2, 2006	June 3, 2006
	(in thousands)	
Finished goods	$ 6,073	$ 9,115
Work in process	1,802	2,239
Raw materials	10,546	4,614
	$ 18,421	$15,968

Reserves for excess and obsolete inventory were $1,580,000 and $1,322,000 at September 2, 2006 and June 3, 2006, respectively.

NOTE G - ASSET PURCHASE AGREEMENT

On May 1, 2006, the Company entered into an Asset Purchase Agreement (the “Agreement”) to acquire all right, title, and interest in, and to, Patent Pending Technology for purposes of manufacturing, marketing, and selling proprietary Vascular Access Ports (“the Product”), following administrative approval. Upon signing the agreement, the Company paid $500,000, which was recorded on the balance sheet under “Intangible Assets”. During the thirteen weeks ended September 2, 2006, the Company made an additional payment of $1,500,000, which has also been recorded under “Intangible Assets”.

Future periodic payments under the Agreement are as follows:

$3,500,000 on the two-year anniversary of the effective date of the Agreement (May 1, 2008), or upon the first commercial sale of the Product by the Company, whichever is earlier. The amount of this future payment has been included on the balance sheet under “Intangible Assets” with a corresponding credit to “Other long-term liabilities” at September 2, 2006.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE G - ASSET PURCHASE AGREEMENT (continued)

A final payment of $2,500,000 is contingent upon the issuance (within 10 years of the effective date of the Agreement) of a U.S. patent claiming priority to the Patent Application, or any issuance of a patent to the Company within 10 years of the effective date of the Agreement in which the original owners are the inventors.

No amortization was recognized under this agreement for the thirteen weeks ended September 2, 2006.

NOTE H - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	September 2, 2006	June 3, 2006
	(in thousands)	
Payroll and related expenses	$ 2,525	$3,203
Sales and franchise taxes	952	1,071
Fair value of interest rate swap	129	78
Other	453	484
	$ 4,059	$4,836

NOTE I - INCOME TAXES

The Company's effective income tax rate for the thirteen weeks ended September 2, 2006 was 36.6%, compared to 37.8% for the thirteen weeks ended August 27, 2005. The decrease is primarily attributable to tax-exempt interest income.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005
(unaudited)

NOTE J - LITIGATION

Diomed v. AngioDynamics and

VNUS Medical Technologies v. Diomed, Vascular Solutions, and AngioDynamics

On January 6, 2004, Diomed, Inc. ("Diomed") filed an action against the Company entitled Diomed, Inc. v. AngioDynamics, Inc., civil action no. 04 10019 RGS in the U.S. District Court for the District of Massachusetts. Diomed's complaint alleges that the Company infringed on Diomed's U.S. patent no. 6,398,777 by selling a kit for the treatment of varicose veins (now called the "VenaCure Procedure Kit") and two diode laser systems: the Precision 980 Laser and the Precision 810 Laser, and by conducting a training program for physicians in the use of our VenaCure Procedure Kit. The complaint alleges the Company's actions have caused, and continue to cause, Diomed to suffer substantial damages. The complaint seeks to prohibit the Company from continuing to market and sell these products, as well as conducting a training program, and asks for compensatory and treble money damages, reasonable attorneys' fees, costs and pre-judgment interest. The Company believes that the its products do not infringe the Diomed patent.

On April 12, 2005, the Court issued a Memorandum and Order on Claims Construction, commonly known as a Markman ruling, in which the Court rejected Diomed's interpretation of certain claim limitations. Instead, the Court agreed with the Company on certain claim limitations and, as a result, effectively added additional weight to the Company's position that the proper use of its products do not infringe Diomed's patent.

In December 2005, the Company filed a motion for summary judgment of non-infringement in this action. Diomed, Inc. also moved for summary judgment. On June 26, 2006, the judge assigned to the action issued an Order of Recusal, and the case was assigned to another judge. On August 30, 2006, the court denied both the Company's and Diomed's motions for summary judgment and as a result, the Diomed action is expected to proceed to a jury trial.

On January 3, 2006, the Company filed a declaratory judgment action in the U.S. Federal District court for the District of Delaware entitled AngioDynamics, Inc. v. Diomed Holdings, Inc., civ. action no. 06 002 (GMS) seeking a declaration by the court that the claims of Diomed's recently issued U.S. patent no. 6,981,971, entitled Medical Laser Device, are invalid, unenforceable and not infringed by the manufacture or sale of any of the Company's products, systems or processes, and that Diomed be stopped from asserting any of these claims against the Company. On January 17, 2006, the Company filed an Amended Complaint for Declaratory Judgment seeking a judgment declaring that the claims of a second Diomed patent, U.S. patent no. 6,986,766, entitled Method of Endovenous Laser treatment, are invalid, unenforceable and not infringed by the manufacture or sale of any of the Company's products, systems or processes, and that Diomed also be stopped from asserting any of these claims against the Company. On January 31, 2006, Diomed filed a motion to dismiss, alleging that this declaratory judgment action should be dismissed as purportedly having no actual case or controversy between the Company and Diomed and stating that Diomed believed there was no imminent threat of litigation by Diomed against the Company.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005

NOTE J - LITIGATION (continued)

On September 7, 2006, the court dismissed the Company's declaratory judgment action against Diomed.

On October 4, 2005, VNUS Medical Technologies, Inc. ("VNUS") filed an action against the Company, and others (collectively, the "Defendants") entitled VNUS Medical Technologies, Inc. v. Diomed Holdings, Inc., Diomed Inc., AngioDynamics, Inc., and Vascular Solutions, Inc., case no. C05-02972 MMC, filed in the U.S. District Court for the Northern District of California. The complaint alleges that the Defendants infringed on VNUS' U.S. patent nos. 6,258,084, 6,638,273, 6,752,803, and 6,769,433 by making, using, selling, offering to sell and/or instructing users how to use Diomed's "EVLT" products, AngioDynamics' "VenaCure" products, and Vascular Solutions' "Vari-Lase" products. The complaint alleges the Defendants' actions have caused, and continue to cause, VNUS to suffer substantial damages. The complaint seeks to prohibit the Defendants from continuing to market and sell these products and asks for compensatory and treble money damages, reasonable attorneys' fees, costs and pre-judgment and post-judgment interest. The Company believes that its products do not infringe the VNUS patents and has filed an answer to the complaint, including a counterclaim for relief and a demand for jury trial. During the thirteen weeks ended September 2, 2006, preliminary discovery and claim construction in this action were completed.

The Company purchases the lasers and laser fibers for its laser systems from biolitec Inc. ("biolitec") under a supply and distribution agreement. In response to the Company's request to biolitec that it assume the defense of the VNUS action, biolitec advised the Company that the claims asserted in the VNUS action were not covered by the indemnification provisions in the supply and distribution agreement. biolitec further advised the Company that, based on the refinement of the claims in the Diomed action, such claims were also not within biolitec's indemnification obligations under the agreement. The Company advised biolitec that it disagreed with biolitec's position and that the Company expected biolitec to continue to honor its indemnification obligations to the Company under the agreement. The Company is engaged in discussions with biolitec to resolve this disagreement. Pending the outcome of these ongoing discussions, biolitec has agreed to continue to provide, at its cost and expense, the Company's defense in the Diomed action, but contrary to what the Company believed its understanding with biolitec to be, has not agreed to pay the costs of defense of the VNUS action as they are incurred. Consequently, the Company is currently paying those costs. Should it ultimately be determined that the claims asserted in these actions are not within biolitec's indemnification obligations under the supply and distribution agreement, the Company may be required to reimburse biolitec for the costs and expenses of defending the Diomed action and will be unable to recover the costs incurred in defending the VNUS action, and will be responsible for paying any settlements or judgments in these actions. There is a reasonable possibility of an outcome unfavorable to the Company in the Diomed action, with a range of potential loss at between $674,000 and $5.4 million.

AngioDynamics, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 2, 2006 and August 27, 2005

NOTE J - LITIGATION (continued)

The Company is party to other legal actions that arise in the ordinary course of business. The Company believes that any liability resulting from any such currently pending litigation will not, individually or in the aggregate, have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows.

NOTE K - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This Statement focuses on creating consistency and comparability in fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The adoption of this new accounting pronouncement is not expected to have a material impact on our financial statements.

Item 2. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following information should be read together with the consolidated financial statements and the notes thereto and other information included elsewhere in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are intended to be covered by the safe harbors created thereby. In some cases, forward-looking statements may be identified by terminology such as "may", "will", "should", "expects", "intends", "anticipates", "plans", "believes", "seeks", "estimates", "predicts", "potential", "continue" or variations of such terms or similar expressions. These statements relate to future events or AngioDynamics' future financial performance and involve known and unknown risks, uncertainties and other factors that may cause AngioDynamics or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, among other things, our ability to develop new products and enhance existing products, our ability to protect our intellectual property, pending and potential intellectual property infringement claims by third parties, our dependence on single source suppliers, our relationships with interventional physicians, possible undetected defects in our products, potential product liability claims by customers or patients, the volatility of our operating results, the effect on our operations of healthcare reform measures, potential declines in reimbursements by government or other third-party payors for procedures using our products, failure to obtain regulatory approvals for our products, a disaster or other disruption at our manufacturing facility or the facilities of our suppliers, our likely need for additional financing to fund any significant acquisitions and the risks associated with any potential acquisition we may make. We discuss certain of these matters more fully in other of our filings with the SEC, including our Annual Report on Form 10-K for our 2006 fiscal year, which was filed with the SEC on August 11, 2006. This Quarterly Report should be read in conjunction with that Annual Report on Form 10-K, and all our other filings, including Current Reports on Form 8-K, made with the SEC through the date of this report. We urge you to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statements contained in this Quarterly Report. As a result of these matters, including changes in facts or other factors, the actual circumstances relating to the subject matter of any forward-looking statement in this Quarterly Report may differ materially from the anticipated results expressed or implied in that forward-looking statement. The forward-looking statements included in this Quarterly Report are made only as of the date of this report and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Overview

AngioDynamics is a provider of innovative medical devices used in minimally invasive, image-guided procedures to treat peripheral vascular disease, or PVD. We design, develop, manufacture and market a broad line of therapeutic and diagnostic devices that enable interventional physicians (interventional radiologists, vascular surgeons and others) to treat PVD and other non-coronary diseases. We believe that we are the only company whose primary focus is to offer a comprehensive product line for the interventional treatment of these diseases.

We sell our broad line of quality devices in the United States through a direct sales force comprised, as of September 2, 2006, of 55 sales representatives, eight regional managers, an eastern and a western zone director, and a vice president of sales. Outside the United States, we sell our products indirectly through a network of distributors in 34 markets. Historically, less than 5% of our net sales have been in non-U.S. markets.

Our growth depends in large part on the continuous introduction of new and innovative products, together with ongoing enhancements to our existing products, through internal product development, technology licensing and strategic alliances. In this regard, our strategic plan calls for an annual investment of 8% of sales for research and development activities.

We are seeking to grow through selective acquisitions of complementary businesses and technologies. Although we completed a public offering of our common stock in fiscal 2006, our cash resources remain somewhat limited and, except to the extent we can further use our equity securities as acquisition capital, we may require additional equity or debt financing to fund any significant acquisitions. We cannot assure you that we will be able to successfully identify or complete any such acquisitions or that any required financing will be available on terms satisfactory to us or at all.

Consistent with our growth strategy, in October 2005, we entered into a supply and distribution rights agreement with Bioniche Pharma Group Limited, subsequently amended in July 2006, under which we obtained exclusive rights to market Sotradecol™ for the treatment of small, uncomplicated varicose veins and other vascular indications in the United States. We believe that Sotradecol will become an important treatment method for small, uncomplicated varicose veins and its addition to our existing venous product portfolio gives us an opportunity to be a market leader in treatment methods for all varicose vein conditions.

Additionally, in May 2006, we entered into an Asset Purchase Agreement (“the Agreement”) to acquire patent pending technology for a vascular access port. We believe this technology, upon administrative approval, will compliment our existing products and allow us to further penetrate the vascular access market. As of September 2, 2006 we have made total payments of $2 million, recorded a long-term liability for a $3.5 million payment due upon the earlier of May 1, 2008 and our first commercial sale of products incorporating this technology and, contingent upon the scope of any patent issued covering the technology prior to May 2016 may be obligated to pay an additional $2.5 million under the Agreement.

Our ability to further increase our profitability will depend in large part on continuing to improve gross profit margins. Factors such as changes in our product mix, new technologies and unforeseen price pressures may cause our margins to grow at a slower rate than we have anticipated or to decline.

Our fiscal quarters ended September 2, 2006 and August 27, 2005 both represent thirteen weeks. The thirteen weeks ended September 2, 2006 are referred to as the “2007 quarter” and the thirteen weeks ended August 27, 2005 are referred to as the “2006 quarter”.

For the 2007 quarter, we reported net income of $1.9 million, or approximately $0.12 per common share on a basic and diluted basis, respectively, on revenues of $20.3 million. For the 2006 quarter, we reported net income of $1.3 million, or approximately $0.11 and $0.10 per common share on a basic and diluted basis, respectively, on revenues of $16.4 million. Gross profit percentage improved to 58.9% for the 2007 quarter from 58.2% for the 2006 quarter. Cash flow from operations was $578,000, a decrease of $859,000 from the 2006 quarter.

On June 4, 2006, we adopted FASB Statement No. 123(R), “Share-Based Payment” (“SFAS 123(R)”), which requires share-based compensation to be recognized in the

consolidated income statement based on their fair values. We adopted SFAS 123(R) using the modified-prospective method and, accordingly, have not adjusted our historical financial statements to reflect the impact of stock-based compensation expense.

Results of Operations

Thirteen weeks ended September 2, 2006 and August 27, 2005

The following table sets forth certain operational data as a percentage of sales for the thirteen weeks ended September 2, 2006 and August 27, 2005.

	Thirteen weeks ended	
	September 2, 2006	August 27, 2005
Net Sales	100.0%	100.0%
Gross profit	58.9%	58.2%
Selling and marketing expenses	28.3%	27.6%
General and administrative expenses	13.6%	9.6%
Research and development expenses	8.0%	9.3%
Operating profit	9.0%	11.7%
Other income	5.8%	1.0%
Net income	9.4%	7.9%

Net Sales. Net sales for the 2007 quarter increased by 23.8%, or $3.9 million, to $20.3 million, compared with the 2006 quarter. The increase in sales was primarily due to the continued growth from new products released in, or subsequent to, the 2006 quarter as well as the continuing market share gains of our existing product lines. Faster growing products included our drainage products, for which sales increased 170.8%, or $689,000, due primarily to sales of the recently released Total Abscession® drainage catheter; vascular access products, for which sales increased 34.1%, or $860,000, due primarily to the continued growth of our Morpheus® CT PICC; thrombolytic products, for which sales increased 28.0%, or $260,000, due primarily to sales of our Uni*Fuse™ catheter; venous products, for which sales increased by 27.4%, or $570,000; angiographic products, for which sales increased 19.5%, or $892,000, with sales of sizing catheters and the Mariner™ hydrophyllic catheter comprising much of the increase; dialysis products, for which sales increased by 11.6%, or $512,000; and PTA products, for which sales increased 9.9%, or $100,000. Substantially all of the increase in our sales was due to increased unit sales, with only 2% of the increase attributable to price increases.

Gross Profit. For the 2007 quarter, our gross profit as a percentage of sales increased to 58.9% from 58.2% for the 2006 quarter. The increase in gross profit percentage was primarily the result of a favorable product mix from increased sales of higher margin products, such as our Total Abscession drainage catheter, EvenMore catheter, the VenaCure® procedure kit, and the Morpheus CT PICC. Gross profit includes the effect of stock-based compensation expense recorded under SFAS 123(R) of $89,000, or approximately 30 basis points, for the 2007 quarter. Stock-based compensation expense charged against gross profit for the 2006 quarter totaled $16,000.

Selling and marketing expenses. Selling and marketing expenses were 28.3% of net sales for the 2007 quarter, compared with 27.6% for the 2006 quarter. For the 2007 quarter, these expenses increased 26.7%, or $1.2 million, compared with the 2006 quarter. Selling expenses increased 21.3%, or $753,000, due to personnel expenses related to the increased number of sales territories, commissions on higher sales, and stock-based compensation. Marketing expenses increased 45.4%, or $453,000, due to increased personnel expenses, professional society membership fees, product promotions, and market research fees. Selling and marketing expenses include stock-based compensation expense recorded under SFAS 123(R) of $158,000, or 0.8% of sales, for the 2007 quarter. Stock-based compensation expense included in selling and marketing expenses for the 2006 quarter was $35,000, or 0.2% of sales.

General and administrative expenses. General and administrative expenses were 13.6% of net sales for the 2007 quarter, compared with 9.6% for the 2006 quarter. For the 2007 quarter, these expenses increased 75.7%, or $1.2 million, partially due to personnel expenses from an increase in the number of employees, stock-based compensation, increased legal and consulting fees, and accounting fees related to our internal controls audit required by Section 404 of the Sarbanes-Oxley Act. General and administrative expenses include stock-based compensation expense recorded under SFAS 123(R) of $272,000, or 1.3% of sales, for the 2007 quarter. Stock-based compensation expense included in general and administrative expenses for the 2006 quarter was $54,000, or 0.3% of sales.

Research and development expenses. Research and development (R&D) expenses were 8.0% of net sales for the 2007 quarter, compared to 9.3% for the 2006 quarter. R&D expenses increased by 7.1%, or $108,000, due to expenses associated with ongoing projects. R&D expenses include stock-based compensation expense recorded under SFAS 123(R) of $124,000, or 0.6% of sales, for the 2007 quarter. Stock-based compensation expense included in R&D expenses for the 2006 quarter was $50,000, or 0.3% of sales.

Other Income (Expenses). Other income increased $1.0 million to $1.2 million for the 2007 quarter, due primarily to an increase in interest income. Both an increase in our investment portfolio, most notably from the proceeds of our public offering in May 2006, and higher yields contributed to this increase.

Income Taxes. Our effective tax rate for the 2007 quarter was 36.6% compared to 37.8% for the 2006 quarter. The decrease is attributable to tax-exempt interest income we earned.

Net Income. For the 2007 quarter, we reported net income of $1.9 million, an increase of 46.9%, or $606,000, over net income of $1.3 million for the 2006 quarter. The increase in net income was attributable primarily to increased sales, higher gross profit percentage and increased investment income, partially offset by higher operating expenses. Net income includes the effect of stock-based compensation expense recorded under SFAS 123(R) of $422,000, or 2.1% of sales, for the 2007 quarter. Stock-based compensation expense included in net income for the 2006 quarter was $96,000, or 0.6% of sales.

Liquidity and Capital Resources

For the 2007 quarter, we financed our operations primarily through cash flow from operations and the proceeds of our public offerings in 2004 and 2006. At September 2, 2006, $89.2 million, or 62.9%, of our assets consisted of cash, cash equivalents and marketable securities. Marketable securities are comprised of U.S. government issued or guaranteed securities and corporate bonds. Our current ratio was 14.3 to 1, with net working capital of $113.5 million, at September 2, 2006, compared to a current ratio of 11.3 to 1, with net working capital of $111.3 million, at June 3, 2006. At September 2, 2006, total debt was $6.4 million, comprised of short and long-term bank debt of $2.9 million for financing our facility expansion in Queensbury, New York, and $3.5 million for a future payment due on our asset purchase agreement with Medron, Inc. Total debt was $2.9 million at June 3, 2006.

We generated cash flow from operations of $578,000 on net income of $1.9 million for the 2007 quarter. Significant increases in inventory, totaling $2.5 million, to support the growth in net sales, and decreases to accounts payable, accrued liabilities and income taxes payable aggregating $1.6 million were partially offset by collections of accounts receivable of $1.3 million, decreases in prepaid expenses of $707,000, and non-cash stock-based compensation expense of $643,000.

For the 2007 quarter, our investing activities provided net cash of $5.9 million. We had net proceeds from investment sales and purchases of $7.5 million, which

were partially offset by an installment payment under an asset purchase agreement for $1.5 million and equipment purchases totaling $90,000.

Financing activities provided net cash of $240,000 for the 2007 quarter, from proceeds and associated tax benefit from the exercise of stock options totaling $497,000 and proceeds from the issuance of common stock under our employee stock purchase plan of $117,000, offset by the payment of costs relating to our public stock offering totaling $329,000, and a principal payment on our long-term debt of $45,000.

Our contractual obligations and their effect on liquidity and cash flows have changed substantially since previously disclosed in our Annual Report on Form 10-K for our fiscal year ended June 3, 2006. During the 2007 quarter, we made an installment payment under our asset purchase agreement to acquire patent rights from Medron, Inc. Execution of that payment contractually obligates us to make a future payment of $3.5 million upon the earlier to occur of the two-year anniversary of the effective date of the agreement (May 1, 2008) and our first commercial sale of the product under the agreement. The amount of this future payment has been included on the balance sheet under “Intangible Assets” with a corresponding credit to “Other long-term liabilities” at September 2, 2006.

On November 23, 2005, we replaced our $3.0 million bank line of credit with a $7.5 million line of credit facility with KeyBank National Association, with a maturity date of November 30, 2006. No amounts were outstanding under the line of credit as of September 2, 2006.

We are restricted in our ability to obtain equity financing due to the distribution by E-Z-EM of our stock to its stockholders, which was completed on October 30, 2004. We are limited in the amount of equity securities or convertible debt we can issue generally in the two years following the stock distribution by E-Z-EM in order to preserve the tax-free treatment of the distribution and avoid tax liabilities to E-Z-EM and its stockholders and corresponding liabilities to us. Specifically, we are limited to issuing no more than approximately 2.5 million shares of our common stock in capital raising transactions through October 30, 2006. These factors could limit our sources of capital in the near future.

We believe that our current cash and investment balances, which include the net proceeds from our public offerings, together with cash generated from operations and our existing line of credit, will provide sufficient liquidity to meet our anticipated needs for capital for at least the next 12 months. If, as discussed above, we seek to make significant acquisitions of other businesses or technologies for cash, we will, in all likelihood, require additional financing. We cannot assure you that such financing will be available on commercially reasonable terms, if at all.

Critical Accounting Policies and Use of Estimates

Our significant accounting policies are summarized in Note A to our consolidated financial statements included in our Annual Report on Form 10-K for our 2006 fiscal year. While all these significant accounting policies affect the reporting of our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require us to use a greater degree of judgment and/or estimates. Actual results may differ from those estimates. The accounting policies identified as critical are as follows:

Revenue Recognition

We recognize revenue in accordance with generally accepted accounting principles as outlined in the SEC’s Staff Accounting Bulletin No. 104, “Revenue

Recognition," which requires that four basic criteria be met before revenue can be recognized: (i) persuasive evidence that an arrangement exists; (ii) the price is fixed or determinable; (iii) collectibility is reasonably assured; and (iv) product delivery has occurred or services have been rendered. We recognize revenue, net of sales taxes assessed by any governmental authority, as products are shipped, based on F.O.B. shipping point terms when title passes to customers. We negotiate shipping and credit terms on a customer-by-customer basis and products are shipped at an agreed upon price. All product returns must be pre-approved by us and customers may be subject to a 20% restocking charge. To be accepted, a returned product must be unadulterated, undamaged and have at least 12 months remaining prior to its expiration date.

Accounts Receivable

Accounts receivable, principally trade, are generally due within 30 to 90 days and are stated at amounts due from customers, net of an allowance for doubtful accounts. We perform ongoing credit evaluations of our customers and adjust credit limits based upon payment history and the customer's current credit worthiness, as determined by a review of their current credit information. We continuously monitor aging reports, collections and payments from customers, and maintain a provision for estimated credit losses based upon our historical experience and any specific customer collection issues that we identify. While such credit losses have historically been within our expectations and the provisions established, we cannot guarantee that the same credit loss rates will be experienced in the future. We write off accounts receivable when they become uncollectible.

Income Taxes

In preparing our financial statements, we calculate income tax expense for each jurisdiction in which we operate. This involves estimating actual current taxes due plus assessing temporary differences arising from differing treatment for tax and accounting purposes that are recorded as deferred tax assets and liabilities. We periodically evaluate deferred tax assets, capital loss carryforwards and tax credit carryforwards to determine their recoverability based primarily on our ability to generate future taxable income and capital gains. Where their recovery is not likely, we estimate a valuation allowance and record a corresponding additional tax expense in our statement of income. If actual results differ from our estimates due to changes in assumptions, the provision for income taxes could be materially affected. As of September 2, 2006, our valuation allowance and net deferred tax asset were approximately $102,000 and $1.3 million, respectively. We have a tax allocation and indemnification agreement with E-Z-EM with whom we have filed consolidated Federal tax returns for periods through October 30, 2004. Under this agreement, we paid Federal income tax based on the amount of taxable income we generated and were credited for Federal tax benefits we generated that were used by us or other members of the consolidated group. This agreement does not cover tax liabilities arising from state, local and other taxing authorities to whom we report separately.

Inventories

We value inventories at the lower of cost (on the first-in, first-out method) or market. On a quarterly basis, we review inventory quantities on hand and analyze the provision for excess and obsolete inventory based primarily on product expiration dating and our estimated sales forecast, which is based on sales history and anticipated future demand. Our estimates of future product demand may not be accurate and we may understate or overstate the provision required for excess and obsolete inventory. Accordingly, any significant unanticipated changes in demand could have a significant impact on the value of our inventory and results of operations. As of September 2, 2006 and June 3, 2006, our reserve for excess and obsolete inventory was $1,580,000 and $1,322,000, respectively.

Property, Plant and Equipment

We state property, plant and equipment at cost, less accumulated depreciation, and depreciate these assets using the straight-line method over their estimated useful lives. We determine this based on our estimates of the period over which the assets will generate revenue. We evaluate these assets for impairment annually or as changes in circumstances or the occurrence of events suggest the remaining value is not recoverable. Any change in condition that would cause us to change our estimate of the useful lives of a group or class of assets may significantly affect depreciation expense on a prospective basis.

New Accounting Pronouncements

During 2004, the Financial Accounting Standards Board, or FASB, issued Statement No. 123(R), "Share-Based Payment" ("SFAS 123(R)"), which is a revision of Statement No. 123, "Accounting for Stock-Based Compensation." Statement No. 123(R) supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees" and amends Statement No. 95, "Statement of Cash Flows." In general, SFAS 123(R) contains similar accounting concepts as those described in Statement No. 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative.

We adopted SFAS 123(R) on June 4, 2006 using the "modified-prospective method," which is a method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of Statement No. 123 for all awards granted to employees prior to the effective date of SFAS 123(R) that remain unvested on the effective date. In accordance with this method of adoption, prior period results of operations and financial position have not been restated to reflect the impact of stock-based compensation. Prior to the adoption of SFAS 123(R), we accounted for options using the intrinsic value method under the guidance of APB No. 25, and provided pro forma disclosure as allowed by Statement No. 123.

For the 2007 quarter, we recognized stock-based compensation expense of $643,000 before-tax ($422,000 net of income taxes, or $0.03 per diluted share). This stock-based compensation expense included expense associated with non-vested stock awards of $74,000 ($46,000 net of income taxes, or less than $0.01 per diluted share).

Under the provisions of SFAS 123(R), we will recognize the following future expense for awards granted as of September 2, 2006:

	Unrecognized Compensation Cost	Weighted-Average Remaining Vesting Period (in years)
Stock options	$ 7,511,000	3.18
Non-vested stock awards	817,000	2.75
	$ 8,328,000	3.15

Unrecognized compensation cost for stock options is presented net of 6.5% assumed annual forfeitures.

We recognize compensation expense for our stock awards issued subsequent to the adoption of SFAS 123(R) on a straight-line basis over the substantive vesting period. Prior to the adoption of SFAS 123(R), we allocated the pro forma compensation expense for stock options over the vesting period using straight-line attribution method. We will continue to amortize compensation expense related to stock options granted prior to the adoption of SFAS 123(R) using a straight-line attribution method.

The amount of stock-based compensation recognized is based on the value of the portion of awards that are ultimately expected to vest. SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeitures" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered option. We currently expect, based on an analysis of our historical forfeitures, that approximately 93.5% of our options will actually vest, and we have therefore applied a 6.5% forfeiture rate in determining the stock-based compensation charge recorded. We will re-evaluate this estimate periodically and adjust the forfeiture rate on a prospective basis as necessary. Ultimately, the actual expense recognized over the vesting period will only be for those shares that actually vest.

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This Statement focuses on creating consistency and comparability in fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The adoption of this new accounting pronouncement is not expected to have a material impact on our financial statements.

Item 3. **Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to market risk from changes in interest rates on investments and financing that could impact our results of operations and financial position. Although we have entered into an interest rate swap with a bank to limit our exposure to interest rate change market risk on our variable interest rate financing, we do not currently engage in any other hedging or market risk management tools.

Our excess cash is primarily invested in highly liquid, short-term, investment grade securities with maturities of less than one year. These investments are not held for speculative or trading purposes. Changes in interest rates may affect the investment income we earn on cash, cash equivalents and debt securities and therefore affect our cash flows and results of operations. As of September 2, 2006, we were exposed to interest rate change market risk with respect to our investments in callable U.S. government corporation and agency obligations in the amount of $3,550,000. The bonds bear interest at a floating rate established weekly. For fiscal year 2006, the after-tax interest rate on the bonds approximated 3.0%. Each 100 basis point (or 1%) fluctuation in interest rates will increase or decrease interest income on the bonds by approximately $35,500 on an annual basis.

At September 2, 2006, we maintained variable interest rate financing of $2.9 million in connection with our facility expansion. We have limited our exposure to interest rate risk by entering into an interest rate swap agreement with a bank under which we agreed to pay the bank a fixed annual interest rate of 4.45%

and the bank assumed our variable interest payment obligations under the financing.

On November 23, 2005, we entered into a $7,500,000 working capital line of credit with a bank. The initial advance under the line of credit will bear interest at the rate of LIBOR plus 175 basis points (the "LIBOR rate".) Thereafter, the interest rate will be adjusted monthly, at our election, to either the then-current LIBOR rate or the bank's prime rate. We will thus be exposed to interest rate risk with respect to this credit facility to the extent that interest rates rise when there are amounts outstanding under the facility.

Item 4. **Controls and Procedures**

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report are functioning effectively to provide reasonable assurance that the information required to be disclosed by us (including our consolidated subsidiary) in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting in the fiscal quarter ended September 2, 2006 that has materially affected or is reasonably likely to materially affect, our internal control over financial reporting.

AngioDynamics, Inc. and Subsidiary

Part II: Other Information

Item 1. **Legal Proceedings**

Certain legal proceedings in which we are involved are discussed in Part I, Item 3 of our annual report on Form 10-K for the fiscal year ended June 3, 2006.

We are a defendant in two actions in which the plaintiffs allege that the manufacture, use and sale of our VenaCure laser system infringe on patents owned by them. These actions, which we have previously reported in our filings with the SEC, are entitled Diomed, Inc. v AngioDynamics, Inc., civil action no. 04 10019 RGS in the U.S. District Court for the District of Massachusetts, and VNUS Medical Technologies, Inc. v. Diomed Holdings, Inc., Diomed Inc., AngioDynamics, Inc., and Vascular Solutions, Inc., case no. C05-02972 MMC, filed in the U.S. District Court for the Northern District of California.

We purchase our lasers and laser fibers for our laser systems from biolitec, Inc. ("biolitec") under a supply and distribution agreement. In response to our request to biolitec that it assume the defense of the VNUS action, biolitec advised us that the claims asserted in the VNUS action were not covered by the indemnification provisions in the supply and distribution agreement. biolitec further advised us that, based on the refinement of the claims in the Diomed action, such claims were also not within biolitec's indemnification obligations under the agreement. We advised biolitec that we disagreed with its position and that we expected it to continue to honor its indemnification obligations to us under our agreement. We are engaged in discussions with biolitec to resolve this disagreement. Pending the outcome of these ongoing discussions, biolitec has agreed to continue to provide, at its cost and expense, our defense in the Diomed action but, contrary to what we believed our understanding with biolitec to be, has not agreed to pay the costs of defense of the VNUS action as they are incurred. Consequently, we are currently paying these costs. Should it ultimately be determined that the claims asserted in these actions are not within biolitec's indemnification obligations under the supply and distribution agreement, we may be required to reimburse biolitec for the costs and expenses of defending the Diomed action and will be unable to recover the costs incurred in defending the VNUS action, and will be responsible for paying any settlements or judgments in these actions. There is a reasonable possibility of an outcome unfavorable to us in the Diomed action, with a range of potential loss of between $674,000 and $5.4 million.

In December 2005, we filed a motion for summary judgment of non-infringement in the above-described Diomed action in the U.S. District Court for the District of Massachusetts. Diomed also moved for summary judgment in this action. On June 26, 2006, the judge assigned to the action issued an Order of Recusal, and the case was assigned to another judge. On August 30, 2006, the court denied all motions for summary judgment and, as a result, the Diomed action is expected to proceed to a jury trial.

On January 3, 2006, we filed a declaratory judgment action in the U.S. Federal District court for the District of Delaware entitled AngioDynamics, Inc. v. Diomed Holdings, Inc., civ. action no. 06 002 (GMS) seeking a declaration by the court that the claims of Diomed's recently issued U.S. patent no. 6,981,971, entitled Medical Laser Device, are invalid, unenforceable and not infringed by the manufacture or sale of any of our products, systems or processes, and that Diomed be stopped from asserting any of these claims against us. On January 17, 2006, we filed an Amended Complaint for Declaratory Judgment seeking a judgment declaring that the claims of a second Diomed patent, U.S. patent no. 6,986,766 entitled Method of Endovenous Laser Treatment, are invalid, unenforceable and not

infringed by the manufacture or sale of any of our products, systems or processes, and that Diomed also be stopped from asserting any of these claims against us. On January 31, 2006, Diomed filed a motion to dismiss alleging that this declaratory judgment action should be dismissed as purportedly having no actual case or controversy between us and Diomed and stating that Diomed believed there was no imminent threat of litigation by Diomed against us.

On September 7, 2006, the court dismissed our declaratory judgment action against Diomed.

We are party to other legal actions that arise in the ordinary course of our business. We believe that any liability resulting from any such currently pending litigation will not, individually or in the aggregate, have a material adverse effect on our business, financial position, or results of operations.

Item 1A. **Risk Factors**

There have been no material changes from the risk factors disclosed in Part I. Item 1A, of our annual report on Form 10-K for our fiscal year ended June 3, 2006.

Item 2. **Unregistered Sales of Equity Securities and Use of Proceeds**

Our initial public offering on Form S-1 (reg. No. 333-113329) was declared effective on May 26, 2004.

The following table sets forth our uses of the net proceeds of the offering from the effective date of the offering to the last day of the fiscal quarter covered by this report:

Initial Public Offering
Use of proceeds
as of September 2, 2006
($ in thousands)

Description	Balance
Receipt of net proceeds of Initial Public Offering and underwriters' over allotment option	$22,941
Repayment of note payable to E-Z-EM, Inc.	(3,000)
Payment of expenses related to our initial public offering	(1,505)
Payments under a licensing and distribution agreement	(2,393)
Acquisition of patent rights	(2,000)
Installment payments under a research and distribution agreement	(800)
Net proceeds as of September 2, 2006	$13,243

Item 3. **Defaults Upon Senior Securities**

None.

Item 4. **Submission Of Matters to a Vote of Security Holders**

None.

Item 5. **Other Information**

None.

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Item 6. **Exhibits**

No.	Description
10.1	Amendment to Supply and Distribution Rights Agreement made as of July 12, 2006, by and between AngioDynamics, Inc. and Bioniche Pharma Group, Limited.*
10.2	Asset Purchase Agreement made as of May 1, 2006 by and among AngioDynamics, Inc., Medron Inc., Ronald Wortley and Eric King.*
10.3	Summary of the Compensation of the Non-employee Directors of AngioDynamics, Inc. (incorporated by reference to exhibit 10.1 to the Current Report on Form 8-K filed by the Registrant on August 21, 2006.)
10.4	Summary of Fiscal 2007 Base Salary Compensation for the Chief Executive Officer and Other Named Executive Officers (incorporated by reference to exhibit 10.2 to the Current Report on Form 8-K filed by the Registrant on August 21, 2006.)
10.5	AngioDynamics, Inc. Management Profitability Bonus Program (amended as of August 15, 2006) (incorporated by reference to exhibit 10.3 to the Current Report on Form 8-K filed by the Registrant on August 21, 2006.)
31.1	Certification pursuant to Rule 13a-14(a) or 15d-14 under the Securities Exchange Act of 1934
31.2	Certification pursuant to Rule 13a-14(a) or 15d-14 under the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Confidential treatment has been requested for the redacted portions of the exhibit.

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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 thereunto duly authorized.

ANGIODYNAMICS, Inc.
(Registrant)

Date October 11, 2006

/s/ Eamonn P. Hobbs
Eamonn P. Hobbs, President,
Chief Executive Officer

Date October 11, 2006

/s/ Joseph G. Gerardi
Joseph G. Gerardi, Vice President
Chief Financial Officer
(Principal Financial and Chief
Accounting Officer)

EXHIBIT 10.1

Confidential Treatment requested.
Confidential portions of this
document have been redacted
and have been separately filed
with the Commission

AMENDMENT TO SUPPLY AND DISTRIBUTION RIGHTS AGREEMENT

This AMENDMENT TO SUPPLY AND DISTRIBUTION RIGHTS AGREEMENT ("Amendment") is made as of 12th July, 2006 by and between AngioDynamics, Inc., a corporation incorporated under the laws of Delaware, with its principal place of business located at Queensbury, New York, USA ("AngioDynamics") and Bioniche Pharma Group Limited, a corporation incorporated under the laws of Ireland, with a principal place of business located at Inverin, County Galway, Ireland ("Bioniche").

RECITALS

WHEREAS, AngioDynamics and Bioniche are Parties to a Supply and Distribution Rights Agreement dated as of October 17, 2005 ("Agreement"); and

WHEREAS, AngioDynamics and Bioniche desire to amend the Agreement but only to the extent set forth in this Amendment.

THEREFORE, in consideration of the foregoing premises and the mutual promises contained in this Amendment and other valuable consideration, the receipt of which is acknowledged, the Parties agree as follows:

1. **DEFINITIONS**.

1.1 Unless otherwise defined in this Amendment, all capitalized terms shall have the same meanings as set forth in the Agreement.

1.2 **FIELD**. Section 1.1 m) of the Agreement is deleted and replaced with the following:

m) **"Field"** shall mean the distribution and sale of the Product to any and all Persons, for use in the treatment of varicose veins or other vascular indications.

1.3 A new Section 1.1 gg) of the Agreement is added, as follows:

gg) **"Actual Selling Price"** shall mean AngioDynamics' actual revenues from the sale of each concentration of Product in any particular Calendar Quarter exclusive of trade discounts (in the nature of discounts for prompt payment).

2. **SUBCONTRACTING.** Section 2.6 is deleted and replaced with the following:

2.6 Subcontracting.

a) AngioDynamics shall not subcontract to, or otherwise make any provision or arrangement with any Person (excluding any Affiliate; provided that AngioDynamics shall warranty and remain responsible for the performance by its Affiliate of its obligations hereunder) for the distribution and sale of Product, without the prior written consent of Bioniche, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the parties agree that this Section 2.6 a) shall not impede the right of AngioDynamics to freely sell Product to Group Purchasing Organizations and wholesalers.

b) Bioniche shall not subcontract to, or otherwise make any provision or arrangement with any person (excluding an Affiliate; provided that Bioniche shall warranty and remain responsible for the performance by its Affiliate of its obligations hereunder) for the manufacture of Product, without the prior written consent of AngioDynamics, which consent shall not be unreasonably withheld, conditioned, or delayed.

3. **MINIMUM PURCHASE REQUIREMENTS; RUN RATES**.

3.1 Section 6.2 of the Agreement is renamed **"Minimums - General"** and the text thereof is deleted in its entirety and replaced with the following:

6.2 Minimums – General.

a) In partial consideration for the exclusive rights in the Territory in the Field being granted it under this Agreement, AngioDynamics shall use reasonable efforts to purchase the minimum purchase requirements set forth in Schedule "D" hereto for the Product for each Contract Year other than the second Contract Year; failing which, the provisions of the following paragraph of this Section 6.2 shall apply.

Any Contract Year, other than the second Contract Year, in which AngioDynamics does not achieve the minimum purchase requirements for that Contract Year shall be hereinafter referred to as a "Deficient Contract Year." Bioniche's sole remedy for AngioDynamics' failure to meet the minimum purchase requirements set forth in Schedule "D" in any Deficient Contract Year shall be to convert the exclusive license and distributor status of AngioDynamics in the Field into a non-exclusive relationship following ninety (90) days written notice to AngioDynamics. Notwithstanding the foregoing, AngioDynamics shall be able to cure any noticed failure to meet the minimum purchase requirements by doing the following within the ninety (90) day notice period: (i) purchasing an amount of Product equal to the difference between the amount of Product actually purchased by AngioDynamics in the Deficient Contract Year and AngioDynamics' minimum purchase requirements for the Deficient Contract Year; and (ii) purchasing an amount of Product equal to fifteen percent (15%) of its annual minimum purchase requirements for the then-current Contract Year. If AngioDynamics fully complies with (i) and (ii) above, Bioniche shall have no right to convert the exclusive license and distributor status of AngioDynamics into a non-exclusive relationship. Any amount of Product purchased pursuant to (i) above shall not apply to the minimum purchase requirements for the then-current Contract Year, but the amount of Product purchased pursuant to (ii) above shall apply to the minimum purchase requirements of the then-current Contract Year.

b) Notwithstanding the foregoing, in any Deficient Contract Year, if AngioDynamics has failed to meet the minimum purchase requirements set forth in Schedule "D" and has not cured such failure pursuant to Section 6.2 a), but has purchased sufficient amounts of Product to meet the minimum purchase requirements set forth in the original Agreement between AngioDynamics and Bioniche dated October 17, 2005, or has used the method to cure its failure to meet its minimum purchase requirements as set forth in Section 6.2 a) and has thereby purchased sufficient Product to meet the minimum purchase requirements as set forth in the original Agreement between AngioDynamics and Bioniche dated October 17, 2005, Bioniche's sole remedy shall be to convert the exclusive license and distributor status of AngioDynamics in the Field into a non-exclusive relationship following the ninety (90) day notice period set forth in Section 6.2 a) except that AngioDynamics shall continue to be the exclusive seller and distributor of Product in the Territory in relation to the following Persons whose professional practice involves the treatment of vascular disorders or conditions: (i) General Surgeons; (ii) Vascular Surgeons; (iii) General/Vascular Surgeons; (iv) Interventional Radiologists; (v) Cardiovascular Surgeons; (vi) Cardiothoracic Surgeons; and (vii) Cardiologists.

For greater clarity, the minimum purchase requirements set forth in the original Agreement between AngioDynamics and Bioniche dated October 17, 2005 are as follows:

- Third year: *** units/*** Product boxes
- Fourth year: *** units/*** Product boxes
- Fifth year: *** units/*** Product boxes

c) The parties shall negotiate in good faith to establish the minimum purchase requirements for Contract Years six and thereafter pursuant to the provisions of Schedule "D." During such negotiations, the parties shall set out two (2) tiers of minimum purchase requirements for AngioDynamics. Failure to meet the first, lower tier of minimum purchase requirements and failure to cure pursuant to Section 6.2 a) shall allow Bioniche, as its sole remedy for such failure, to convert the exclusive license and distributor status of AngioDynamics in the Field into a non-exclusive relationship following the ninety (90) day notice period set forth in Section 6.2 a). If AngioDynamics fails to meet the second, higher tier of minimum purchase requirements, but meets the first, lower tier of minimum purchase requirements or has used the method to cure its failure to meet the first, lower tier of minimum purchase requirements, Bioniche's sole remedy shall be to convert the exclusive license and distributor status of AngioDynamics in the Field into a non-exclusive relationship following the ninety (90) day notice period set forth in Section 6.2 a) except that AngioDynamics shall continue to be the exclusive seller and distributor of Product in the Territory in relation to the following Persons whose professional practice involves the treatment of vascular disorders or conditions: (i) General Surgeons; (ii) Vascular Surgeons; (iii) General/Vascular Surgeons; (iv) Interventional Radiologists; (v) Cardiovascular Surgeons; (vi) Cardiothoracic Surgeons; and (vii) Cardiologists.

3.2 New Sections 6.3, 6.4, 6.5, 6.6 and 6.7 of the Agreement are added, as follows (and existing Section 6.3 shall now be designated as Section 6.8 and existing Section 6.4 shall now be designated as Section 6.9):

6.3 Minimums-Second Contract Year. During the second Contract Year (i.e. the period beginning July 1, 2006 and ending June 30, 2007), AngioDynamics shall purchase at least an amount of Product which will result in a minimum total payment of $3,600,000.00 from AngioDynamics to Bioniche for Product based upon the Purchase Price for Product as set forth in Schedule "E" hereto. In addition, during the second Contract Year, AngioDynamics will place at least one purchase order for Product in each of the following periods: June 1, 2006 to September 30, 2006; October 1, 2006 to December 31, 2006; January 1, 2007 to March 31, 2007; and April 1, 2007 to May 31, 2007.

If AngioDynamics fails to purchase at least $3,600,000.00 worth of Product (based upon the Purchase Price as set forth in Schedule "E" hereto) in the second Contract Year, such Product to be ordered by April 30, 2007, Bioniche's sole remedy shall be the receipt of a payment from AngioDynamics to Bioniche in an amount equal to the difference between $3,600,000.00 and the amount paid or to be paid by AngioDynamics to Bioniche for Product ordered by April 30, 2007 within the second Contract Year, which amount shall be paid by AngioDynamics to Bioniche on or before June 30, 2007. For greater certainty, except as otherwise specifically provided for in Section 6.6, AngioDynamics shall be required to purchase the minimum units of Product for the second Contract Year on a "take or pay" basis; it being understood that any failure on the part of AngioDynamics to order such minimum units of Product for the second Contract Year shall not relieve AngioDynamics of its obligation to pay Bioniche for such Product hereunder and that Bioniche shall not be obligated to deliver any Product in exchange for the price paid for such unordered Product.

*** Confidential material redacted and filed separately with the Commission.

6.4 Run Rates. Without limiting its obligations under Section 6.2, during the third, fourth and fifth Contract Years, respectively, AngioDynamics shall be required to achieve commercial sales in the Territory resulting in a "run rate" of at least ***, *** and *** total boxes of Product per month (respectively). For the purposes hereof, "run rate" shall mean AngioDynamics' monthly sales of Product to third Person customers, less any returns received in that month. Should AngioDynamics fail to fulfill its run rate obligations under this Section 6.4 for three (3) consecutive months, without prejudice to its rights under Section 6.2, Bioniche's sole remedy shall be to convert the exclusive license and distributor status of AngioDynamics in the Field into a non-exclusive relationship, upon sixty (60) days written notice given by Bioniche to such effect, except that AngioDynamics shall continue to be the exclusive seller and distributor of Product in the Territory in relation to the following Persons whose professional practice involves the treatment of vascular disorders or conditions: (i) General Surgeons; (ii) Vascular Surgeons; (iii) General/Vascular Surgeons; (iv) Interventional Radiologists; (v) Cardiovascular Surgeons; (vi) Cardiothoracic Surgeons; and (vii) Cardiologists.

6.5 Outstanding Obligations of Bioniche. The Parties agree that, within twenty one (21) days after the date of execution of this Amendment, Bioniche and its Affiliates shall have taken all reasonable commercial efforts to terminate any existing relationships or outstanding commitments with third Persons relating to the sale and/or distribution of Product in the Territory. If, at any time after the date which is twenty one (21) days after the date of execution of this Amendment, Bioniche or its Affiliates are required pursuant to the terms of an agreement existing prior to the date of execution of this Amendment to deliver Product to third Persons for sale and/or use in the Territory: (i) all units of such Product shall be credited towards AngioDynamics' minimum purchase quantities set out in Section 6.2 or 6.3, as the case may be; and (ii) all units of such Product shall be credited towards AngioDynamics' "run rates" set out in Section 6.4; and (iii) an amount calculated on the basis of the number of such units of Product sold by Bioniche or its Affiliates and AngioDynamics' Actual Selling Price shall be credited against the $3,600,000.00 "take or pay" obligation under Section 6.3.

6.6 Exceptions. Notwithstanding anything to the contrary herein contained, AngioDynamics shall not be responsible for failing to achieve the minimum purchase or run rate requirements established for it hereunder if such failure is directly attributable to: (i) the failure by Bioniche to deliver a sufficient quantity of the Product which satisfies the Specifications in response to purchase orders placed in accordance with Section 7.7 hereof; and/or (ii) an Event of Force Majeure, as defined in Section 7.10 hereof.

6.7 Second Entry Product. In the event that a Second Entry Product enters the market in the Territory at any time during the Term, any annual minimum purchase requirements and any run rates agreed to hereunder, in each case, for periods after the end of the second Contract Year shall be automatically reduced by fifty (50%) percent. Such decrease shall be on a going forward basis only, with a pro rata effect being calculated for any partial Contract Year after the second Contract Year.

4. **PAYMENTS; ETC.**

4.1 A new Section 7.1 a) of the Agreement is added, as follows (and the existing Sections 7.1 a) and b) are re-lettered accordingly):

a) pay Bioniche non-refundable milestone fees of:

(i) Five Hundred Thousand Dollars ($500,000), payable within thirty (30) days after the date on which AngioDynamics' cumulative sales of Products in the Territory exceed Ten Million Dollars ($10,000,000);

(ii) One Million Dollars ($1,000,000), payable within thirty (30) days after the date on which AngioDynamics' cumulative sales of Products in the Territory exceed Twenty Five Million Dollars ($25,000,000); and

(iii) One Million Dollars ($1,000,000), payable within thirty (30) days after the date on which AngioDynamics' cumulative sales of Products in the Territory exceed Fifty Million Dollars ($50,000,000).

For greater certainty, cumulative sales shall be the running total of all sales of Products throughout the Term, calculated on the basis of AngioDynamics' Actual Selling Price (as defined in 1.3 of this Amendment) at the time such sale was made.

Notwithstanding the foregoing, if at the time any of the milestone fees in (i), (ii) or (iii) above becomes payable, Bioniche has converted the entire or any portion of the exclusive license and distributor status of AngioDynamics under this Agreement into a non-exclusive relationship pursuant to Section 6.2 or 6.4, AngioDynamics shall not have to pay to Bioniche such milestone fee or any subsequent milestone fees. For one non-limiting example, if AngioDynamics' exclusive license and distributor status in the Field has been converted to a non-exclusive relationship except that AngioDynamics continues to be the exclusive seller and distributor of Product in relation to the following Persons whose professional practice involves the treatment of vascular disorders or conditions: (i) General Surgeons; (ii) Vascular Surgeons; (iii) General/Vascular Surgeons; (iv) Interventional Radiologists; (v) Cardiovascular Surgeons; (vi) Cardiothoracic Surgeons; and (vii) Cardiologists, AngioDynamics shall not have to pay any subsequent milestone fees.

If AngioDynamics' entire exclusive license and distributor status in the Field has been converted to a non-exclusive relationship pursuant to Section 6.2 or 6.4 herein, or if AngioDynamics' exclusive license and distributor status in the Field has been converted to a non-exclusive relationship except that AngioDynamics continues to be the exclusive seller and distributor of Product in relation to the following Persons whose professional practice involves the treatment of vascular disorders or conditions: (i) General Surgeons; (ii) Vascular Surgeons; (iii) General/Vascular Surgeons; (iv) Interventional Radiologists; (v) Cardiovascular Surgeons; (vi) Cardiothoracic Surgeons; and (vii) Cardiologists, pursuant to Section 6.2 or 6.4 herein, and Bioniche has appointed another Person, other than AngioDynamics, as an exclusive distributor of Product in any remaining portion of the Field, then AngioDynamics shall be entitled to receive from Bioniche an immediate return of any and all milestone fees previously paid to Bioniche pursuant to (i), (ii) and/or (iii) above.

4.2 Existing Section 7.1 b) (re-lettered 7.1 c)) is deleted and replaced with the following:

c) make the minimum annual purchases of and achieve the "run-rates" for Product as provided in Sections 6.2 to 6.4, inclusive, hereof; which purchases, subject to Section 7.4 hereof, will be supplied by Bioniche at a Purchase Price calculated in accordance with Schedule "E" hereto.

4.3 Existing Section 7.2 a) is amended by changing the reference to "under Subsection 7.1(a)" in the first sentence thereof to read "under Subsections 7.1a) and b)".

4.4 The second paragraph of Section 7.4, beginning "Bioniche agrees and promises", is deleted in its entirety. If AngioDynamics' exclusive license and distributor status in the Field has been converted to a non-exclusive relationship except that AngioDynamics continues to be the exclusive seller and distributor of Product in relation to the following Persons whose professional practice involves the treatment of vascular disorders or conditions: (i) General Surgeons; (ii) Vascular Surgeons; (iii) General/Vascular Surgeons; (iv) Interventional Radiologists; (v) Cardiovascular Surgeons;

(vi) Cardiothoracic Surgeons; and (vii) Cardiologists, pursuant to Section 6.2 or 6.4 herein, then such second paragraph shall be reinserted into the Agreement. For greater clarity, the second paragraph of Section 7.4 reads as follows:

Bioniche agrees and promises that Bioniche's price for Product sold to AngioDynamics hereunder as an exclusive distributor shall always be the lowest price which Bioniche or its Affiliates offers, charges, or accepts in full payment for the Product from Bioniche's or its Affiliates' most favored customer in the Territory including, without limitation, another distributor, unless otherwise prohibited by applicable Laws.

5. **INDEMNIFICATION**

5.1 Existing Section 8.4 a) is amended by deleting item (i) therein and replacing it with the following:

(i) any breach by Bioniche or its Affiliates of any representations or warranties or obligations to AngioDynamics hereunder (including, without limitation, any third party claim relating to Bioniche's or its Affiliates' termination of any existing obligations in accordance with Section 6.5 and/or Bioniche's or its Affiliates' failure to comply with any such existing obligations);

6. **TERM; TERMINATION**

6.1 Existing Section 9.1 of the Agreement is deleted in its entirety and replaced with the following:

9.1 Term. This Agreement shall come into effect as of the Effective Date and shall continue in force until the end of the seventh (7th) Contract Year; unless sooner terminated by either Party in accordance with Section 9.2 or extended in accordance with Section 9.7, below (the initial term, together with any extension or renewal term hereunder, referred to herein as the **"Term"**). Thereafter, this Agreement will automatically renew for additional consecutive three (3) year periods, unless expressly terminated by either Party on written notice to the other Party at least one hundred and twenty (120) calendar days prior to the end of the then current Term or otherwise terminated under Section 9.2 or 9.3.

6.2 Existing Section 9.2 of the Agreement shall be deleted in its entirety and replaced with the following:

9.2 Termination by Either Party. Either Party may terminate this Agreement by giving notice to the other Party:

a) if the other Party becomes bankrupt, is placed into the hands of a trustee, receiver, or manager on behalf of creditors as to the whole or a substantial part of its business, makes an assignment for the benefit of creditors, or ceases to carry on business; or

b) if the other Party commits any material breach hereof and remains in breach thirty (30) days after written notice thereof; except for breaches by AngioDynamics in respect of non-payment of any monies owing hereunder, which shall be governed by Section 9.3. AngioDynamics' failure to meet the minimum purchase requirements set forth in Section 6.2, Section 6.3 or **Schedule "D"** shall not constitute a material breach and remedies for such failure will be governed by Section 6.2 or Section 6.3, as applicable. AngioDynamics' failure to meet the run rates set forth in Section 6.4 shall not constitute a material breach and remedies for such failure will be governed by Section 6.4.

6.3 A new Section 9.7 of the Agreement is added, as follows:

9.7 Extension of Term. Subject always to Sections 9.2 and 9.3 hereof, in the event AngioDynamics has made any one or more milestone payments under Section 7.1 a) hereof, AngioDynamics shall have the right to extend the Term, as follows:

(i) following payment of the milestone payment under Section 7.1a)(i), AngioDynamics shall be entitled to extend the then current Term by one (1) Contract Year;

(ii) following payment of the milestone payment under Section 7.1a)(ii), AngioDynamics shall be entitled to extend the then current Term by two (2) additional Contract Years; and

(iii) following payment of the milestone payment under Section 7.1a)(iii), AngioDynamics shall be entitled to extend the then current Term by two (2) additional Contract Years.

For greater certainty, any period of extension pursuant to (i), (ii) or (iii) above shall be considered an extension of the then current Term. Thus, Bioniche shall have no right to send notice of non-renewal pursuant to Section 9.1 until one hundred twenty (120) days before the then current Term (including any periods of extension pursuant to this Section 9.7) expires.

7. **SCHEDULE D.** Schedule D shall be deleted in its entirety and replaced with the following:

SCHEDULE "D"
to the
Supply and Distribution Rights Agreement
dated October 17, 2005
by and between
AngioDynamics, Inc. ("AngioDynamics") and Bioniche Pharma Group Limited ("Bioniche")

MINIMUM PURCHASE REQUIREMENTS

AngioDynamics shall achieve the following minimum purchase requirement of total vials/units in the second Contract Year of the Term of the Agreement:

- Second Contract Year: $3,600,000.00 worth of Product as per Section 6.3 of the Agreement

AngioDynamics will use reasonable efforts to achieve the following minimum purchase requirements of total vials/units in the third, fourth and fifth Contract Years of the Term of the Agreement:

- Third Contract Year: *** units/*** Product boxes
- Fourth Contract Year: *** units/*** Product boxes
- Fifth Contract Year: *** units/*** Product boxes

At least twelve (12) months prior to the end of the fifth Contract Year, the Parties shall enter discussions in good faith with respect to establishing minimum purchase requirements for the sixth and seventh Contract Years of the Term. In the unlikely event that the Parties are unable to agree on minimum purchase requirements for the sixth and seventh Contract Years of the Term on or before the end of the first Calendar Quarter in the fifth Contract Year, the minimum purchase requirements for the sixth and seventh Contract Years shall be equal to the minimum purchase requirements for the fifth Contract Year. The Parties shall

*** Confidential material redacted and filed separately with the Commission.

negotiate in good faith with respect to establishing minimum purchase requirements for the Contract Years extending beyond the seventh Contract Year. If the Parties are unable to agree upon the minimum purchase requirements for any Contract Year beyond the seventh Contract Year within the first Calendar Quarter of the preceding Contract Year, the minimum purchase requirements for the succeeding Contract Year shall be equal to the minimum purchase requirements for the preceding Contract Year.

Note: Total units are irrespective of concentration. (1 vial = 1 unit) (1 box = 5 units)

8. **SCHEDULE E.** Schedule E shall be deleted in its entirety and replaced with the following:

SCHEDULE "E"
to the
Supply and Distribution Rights Agreement
dated October 17, 2005
by and between
AngioDynamics, Inc. ("AngioDynamics") and Bioniche Pharma Group Limited ("Bioniche")

PURCHASE PRICE

All pricing for 1% and 3% vials shall be per box of Product. Each box of Product shall contain five (5) vials, each vial containing two (2) milliliters of Sotradecol. One unit shall equal one vial of Product.

The Purchase Price for the 1% solution of Product shall be $*** per box ($*** per unit).

The Purchase Price for the 3 % solution of Product shall be $*** per box ($*** per unit).

For greater certainty, it is understood and agreed between the Parties that Bioniche shall have no control over (and shall not be responsible for setting) the AngioDynamics Actual Selling Price.

9. **REFERENCES TO TRANSFER PRICE.** All references to "Transfer Price" within the Agreement shall be deleted and replaced with the phrase "Purchase Price".

10. **OTHER TERMS AND CONDITIONS UNCHANGED.** AngioDynamics and Bioniche agree that all other terms and conditions of the Agreement shall remain unchanged and in full force and effect and all such other terms and conditions are hereby ratified and confirmed.

11. **COUNTERPARTS.** This Amendment may be executed in counterparts with the same force and effect as if each of the signatories had executed the same instrument. Delivery of an executed signature page to this Amendment by facsimile transmission shall be as effective as delivery of a manually signed counterpart.

*** Confidential material redacted and filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have each caused the Amendment to be signed and delivered by their duly authorized representative as of the date first written above.

BIONICHE PHARMA GROUP LIMITED

By: /s/ John Kavanagh
Name: John Kavanagh
Title: Managing Director

Date:30 June 2006

ANGIODYNAMICS, INC.

By: /s/ Robert M. Rossell
Name: Robert M. Rossell
Title: Vice President, Marketing

Date:12 July 2006

EXHIBIT 10.2

Confidential Treatment requested.
Confidential portions of this
document have been redacted
and have been separately filed
with the Commission.

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is made as of May 1, 2006 (the "Effective Date") by and among AngioDynamics, Inc., a Delaware corporation with a principal place of business located at 603 Queensbury Avenue, Queensbury, New York 12804 ("AngioDynamics"), Medron, Inc., a Utah corporation with a principal place of business located at 1518 South Gladiola Street, Salt Lake City, Utah 84104 ("Medron"), Ronald Wortley, an individual residing at 3129 Old Ridge Circle, Salt Lake City, Utah 84121 ("Wortley") and Eric King, an individual residing at 3001 Chimney Rock Circle, West Jordan, Utah 84064 ("King").

RECITALS

WHEREAS, Medron is the owner of certain proprietary technology relating to a "*** Vascular Access Port" (the "Patent Pending Technology") for which a provisional patent application has been filed with the United States Patent and Trademark Office, identified as Serial Number *** US, filed September 30, 2005 (the "Provisional Application") (any non-provisional patent application claiming priority to the Provisional Application shall be referred to as a "Pending Application");

WHEREAS, AngioDynamics desires to acquire the Patent Pending Technology and diligently pursue prosecution of patent rights directed to the Patent Pending Technology for purposes of manufacturing, marketing and selling proprietary, legally and commercially saleable *** Vascular Access Ports with ***, following administrative approval (the "Product"); and

WHEREAS, AngioDynamics desires to purchase and Medron, Wortley, and King desire to sell to AngioDynamics each of their entire and collective rights, titles and interests in and to the Patent Pending Technology, the Provisional Application and any subsequent Pending Applications pursuant to the terms and conditions stated in this Agreement.

TERMS

NOW THEREFORE, in consideration of the matters recited and of the mutual representations, warranties, covenants and agreements set forth in this Agreement, the parties agree as follows:

1. Sale and Assignment of Patent and Potential Trademark Rights.

(a) Subject to the terms and conditions of this Agreement, Medron, Wortley and King agree to collectively sell, transfer, convey and assign to AngioDynamics each of their entire and collective rights, titles and interests in and to the Patent Pending Technology, the

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***Confidential material redacted and filed separately with the Commission.

Provisional Application and any subsequent Pending Applications that are related to the Patent Pending Technology. In furtherance thereof, concurrent with their execution of this Agreement, Medron, Wortley and King shall execute an assignment to AngioDynamics of their collective and entire patent rights with respect to the Patent Pending Technology and the Provisional Application substantially in the form of an assignment as set forth in **Exhibit A**. In addition, Wortley and King shall execute all necessary papers, including a Declaration of Inventorship regarding the Patent Pending Technology, an assignment substantially in the form of the assignment set forth in **Exhibit A1** conveying their entire right, title, and interest in and to the Pending Application to AngioDynamics, and a Power of Attorney providing AngioDynamics' counsel with full authority to prosecute the Pending Application before the United States Patent and Trademark Office, and shall otherwise fully cooperate with and execute any and all additional documents necessary for AngioDynamics to fully prosecute the Pending Application.

(b) AngioDynamics will use reasonable commercial efforts to file a Pending Application with the U.S. Patent and Trademark Office and, at its sole discretion, counter-part foreign, non-provisional patent application(s) claiming priority to the Provisional Application. Medron shall cause all proper inventors of the invention claimed in any Pending Application to cooperate with AngioDynamics and AngioDynamics' patent counsel for purposes of preparing, reviewing, commenting upon, and executing any and all documents necessary or convenient for properly filing and prosecuting such Pending Application with the proper authorities and to fully vest title in the Pending Application with AngioDynamics.

(c) In the event Medron, Wortley, or King develops enhancements to the Patent Pending Technology ("Improvements") following the Effective Date, Medron, Wortley, and King shall promptly disclose such Improvements to AngioDynamics and cause the inventors of such Improvements to cooperate with AngioDynamics and AngioDynamics' patent counsel for the purposes of preparing, reviewing, commenting upon, and executing all necessary or convenient documents for filing with the proper authorities to file and prosecute patent applications claiming such Improvements and convey all right, title and interest in and to the Improvements to AngioDynamics, including all patent rights associated therewith. AngioDynamics shall use reasonable commercial efforts to file a U.S. and, at its sole discretion, counter-part foreign, non-provisional patent application(s) claiming the Improvements.

(d) Following the Effective Date of this Agreement, Medron shall provide assistance and shall cause its employees and agents to assist AngioDynamics with AngioDynamics' Product development efforts to commercialize the Patent Pending Technology, and to file and/or prosecute the Provisional Application and any subsequent Pending Application and/or Improvements in order to develop the Product.

(e) Medron hereby assigns to AngioDynamics its entire right, title and interest in and to the "Potential Trademarks" set forth in **Exhibit A2** together with all goodwill symbolized thereby.

2. No Assumption of Liabilities. AngioDynamics shall not assume, or in any way be responsible for, any liability or obligation of any kind or nature whatsoever of Medron, Wortley or King as a result of the execution and delivery of this Agreement or the consummation of any transaction contemplated by this Agreement.

3. Payment. Following the Effective Date of this Agreement, and in consideration of Medron's, Wortley's and King's assignment of patent rights of the Patent Pending Technology, the Provisional Application and any subsequent Pending Applications according to Section 1 of this Agreement, Medron's, Wortley's and King's obligations under this Agreement and related documents, AngioDynamics shall pay Medron, pursuant to the following schedule, provided that AngioDynamics shall not be liable to Medron for any payment until the event corresponding to each such payment has been satisfactorily completed pursuant to the terms of this Agreement:

(a) $500,000 to Medron upon the Effective Date of this Agreement and Medron's, Wortley's and King's assignments of patent rights of the Patent Pending Technology, the Provisional Application and any subsequent Pending Applications to AngioDynamics;

(b) $1,500,000 upon the execution of an agreement between AngioDynamics and *** for the *** U.S. Patent Application, Serial Number *** (the "*** Application");

If AngioDynamics fails to make this $1,500,000 million payment by September 1, 2006, then all Patent Pending Technology, along with all prototypes, all regulatory filings, all intellectual property applications and work product and all inventory that AngioDynamics has received from Medron shall immediately be assigned and transferred to Medron and AngioDynamics shall retain no rights. AngioDynamics will, at no cost to Medron, immediately execute all necessary or convenient documents to effect this assignment and transfer;

(c) $3,500,000 to Medron on the twenty-four (24) month anniversary of the Effective Date of this Agreement, or upon the first commercial sale of the Product by AngioDynamics, whichever is earlier;

(d) $2,500,000 to Medron upon issuance within ten (10) years of the Effective Date of this Agreement of a patent by the US Patent and Trademark Office claiming priority to the Provisional Application or any issuance of a patent to AngioDynamics within ten (10) years of the Effective Date of this Agreement in which Wortley and King are inventors and that claims Patent Pending Technology, but that may not have claimed the priority date of the Provisional Application, with a minimum claim scope of a vascular access port, comprising a housing and ***.

4. Future Cooperation. Following the Effective Date, Medron, Wortley and King shall cooperate with AngioDynamics to reasonably perform necessary or convenient acts in connection with the full prosecution of the Pending Applications and development of the Patent Pending Technology; including execution of all documents and assignments associated with the prosecution and providing technical assistance as needed in the review of and in response to "Office Actions". However, AngioDynamics shall not incur any additional costs or expenses or pay any additional sums to Medron, Wortley and/or King, other than incidental out-of-pocket expenses (but not salaries, fees or commissions or any similar sums) incurred at the request of AngioDynamics.

*** Confidential material redacted and filed separately with the Commission.

5. Modification of Design. Following the Effective Date, Medron, Wortley and King shall be responsible for design modifications to produce a *** Vascular Access Port, ***, by June 1, 2006. At no additional cost or expense to AngioDynamics, Medron, Wortley and King will promptly transfer, convey and assign to AngioDynamics and AngioDynamics agrees to accept and acquire all documentation, materials and tooling related to the Patent Pending Technology, including specifications of design, materials, adhesives and tooling. Medron, Wortley and King will cooperate with AngioDynamics concerning completion of design development and regulatory approval.

6. Breach.

(a) If any of the parties is in material breach of this Agreement or any obligation hereunder, the party contending there is a breach (the "Charging Party") may give written notice to the "Accused Party" of the nature of the breach and shall provide sixty (60) days after the giving of such notice for the breach to be cured to the reasonable satisfaction of the Charging Party. If such breach is not cured to the reasonable satisfaction of the Charging Party, the Charging Party by notice to the Accused Party shall have the right to terminate this Agreement and to seek damages from the Accused Party for breach of this Agreement.

(b) The parties shall agree to submit disputes arising under this Agreement to a neutral arbitration panel, familiar with patent law, with the costs being shared equally by the parties and the arbitration being binding and conducted in accordance with the Rules of the American Arbitration Association. The arbitration panel shall be jointly selected by AngioDynamics and Medron. If AngioDynamics and Medron are unable to agree on an arbitration panel within fifteen (15) business days after the written request of either one, each shall select an arbitration panel and the two arbitration panels shall mutually select a neutral arbitration panel, familiar with patent law, whose decision shall be binding on all parties. Any arbitration brought pursuant to this provision shall be conducted in Albany, New York, if brought by AngioDynamics or Salt Lake City, Utah if brought by Medron.

7. Representations and Warranties of Medron, Wortley and King. Medron, Wortley and King make the following representations and warranties to AngioDynamics, each of which shall survive the closing of this Agreement:

(a) Exclusivity. Wortley and King are the only inventors listed on the Provisional Application, no other inventors exist and one hundred percent (100%) of the rights to the Provisional Application are currently assigned to Medron.

(b) Authority/Binding Obligations. Medron, Wortley and King have all requisite legal capacity, power and authority, including the approval of Medron's board of directors, to execute, perform, carry out and consummate the transactions contemplated in this

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*** Confidential material redacted and filed separately with the Commission.

Agreement. This Agreement and all documents and instruments to be executed and delivered hereunder have been duly authorized by all necessary corporate action on the part of Medron, Wortley and King and constitute valid and binding obligations of Medron, Wortley and King enforceable against each in accordance with their terms.

(c) Patent Rights. **Schedule 7(c)** contains an accurate and complete list of all applicable registration and identification numbers with respect to the Patent Pending Technology as set forth in the Provisional Application. Medron, Wortley and King collectively own all right, title and interest in and to all of the Patent Pending Technology and the Provisional Application, pay no royalties to anyone with respect to this technology except as disclosed on **Schedule 7(c),** and have the full and lawful right to bring any actions for the infringement thereof. Neither Medron, Wortley or King have granted any licenses or other rights to use the Patent Pending Technology and/or the Provisional Application except as described on **Schedule 7(c)**. To the knowledge of Medron, Wortley, or King, no process, method or material employed in the Patent Pending Technology and/or the Provisional Application infringes any patent or trademark, service mark, trade name, copyright or is in conflict with any proprietary right of another except as disclosed on **Schedule 7(c)**. Except as disclosed on **Schedule 7(c)**, to the knowledge of Medron, Wortley, or King, no third-party is infringing or potentially infringing on the Patent Pending Technology and/or the Provisional Application.

(d) Organizational Authority. Medron is a corporation duly organized and validly existing and in good standing under the laws of the State of Utah and it has all requisite power and authority to carry on its business as presently engaged. Medron has delivered to AngioDynamics or its counsel complete and correct copies of the certificate or articles of incorporation and bylaws of Medron, in each case as amended to the Effective Date of this Agreement.

(e) Governmental Consents. Except as disclosed in **Schedule 7(e),** no consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, is required to be obtained by Medron, Wortley or King in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated thereby.

(f) Capital Structure. As of the Effective Date, the shareholders of Medron are as disclosed on **Schedule 7(f)** and there are no outstanding warrants, options or rights entitling any individual or entity the right to acquire any additional shares of Medron.

(g) No Default or Litigation. To the knowledge of Medron, Wortley, or King, Medron is not in violation of or in default under any law, rule, regulation or ordinance, or any order of any court or federal, state, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which could have a material adverse impact on the assets or the business of Medron. To the knowledge of Medron, Wortley or King, there are no private or public lawsuits, proceedings, claims, unsatisfied judgments, penalties or awards or governmental investigations or eminent domain or condemnation proceedings pending or threatened against Medron or its assets or its business, and there is no basis for any as yet unasserted claims or actions except as described on **Schedule 7(g)**.

(h) No Conflict. Neither the execution, delivery and performance of this Agreement nor the consummation of the transactions contemplated thereby, nor compliance with the provisions thereof will conflict with, or result in any violations of, or cause a default under, or give rise to a right of termination, amendment, cancellation or acceleration of any obligation contained in, or the loss of any material benefit under, or result in the creation of any lien upon any of the properties or assets of Medron under any term, condition or provision of (i) the certificate or articles of incorporation or bylaws of Medron; (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other material agreement; or (iii) any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Medron, Wortley or King or their respective properties or assets.

(i) No Third-Party Agreements. Neither the execution, delivery or performance of this Agreement, nor the actions contemplated to be taken by Medron, Wortley or King hereunder, are prohibited by or will be in violation of any obligations or agreements Medron, Wortley and/or King have to or with any third-party.

(j) Broker Fees. Neither Medron, Wortley nor King has engaged or authorized a broker, investment banker or other person to act on its behalf, directly or indirectly, as a broker or finder who might be entitled to a fee, commission or other remuneration in connection with the transactions contemplated by this Agreement.

(k) Design History File. Medron, Wortley and King will cooperate with AngioDynamics concerning completion of design, development, Design History File, process validation of processes performed by Medron, and regulatory approvals (including US FDA 510(k) submission and international regulatory approvals).

(l) No Public Disclosure. Medron, Wortley and King have not made any public disclosure that in any way has compromised either the U.S. or foreign patent rights with respect to the Patent Pending Technology.

8. Representations and Warranties of AngioDynamics: AngioDynamics hereby makes the following representations and warranties to Medron, Wortley and King, each of which shall survive the closing of this Agreement:

(a) Authority/Binding Obligations. AngioDynamics has all requisite power and authority, including the approval of its board of directors, to execute, perform, carry out and consummate the transactions contemplated in this Agreement. This Agreement and all documents and instruments to be executed and delivered hereunder have been duly authorized by all necessary corporate action on the part of AngioDynamics and constitute legal, valid and binding obligations of AngioDynamics enforceable in accordance with their terms.

(b) Organizational Authority. AngioDynamics is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to carry on its business as presently engaged.

(c) Design History File. AngioDynamics shall be responsible for the Design History File and 510(k) submission and international regulatory submissions with respect to the subject matter of this Agreement.

9. Indemnification.

(a) Indemnification by AngioDynamics. AngioDynamics agrees to indemnify and hold Medron, its officers, directors, employees, successors and assigns, Wortley and King harmless from and against any and all Loss that they, or any of them, may incur to the extent that such Loss arises out of or results from (i) a breach of any representation made or warranty given in this Agreement by AngioDynamics; (ii) a breach of any term or condition of this Agreement by AngioDynamics; and (iii) any illness, injury or death arising from the use of the Product.

(b) Indemnification by Medron, Wortley and King. Medron, Wortley and King each agrees to indemnify and hold AngioDynamics its officers, directors, employees, successors and assigns harmless from and against any and all Loss that that they, or any of them, may incur to the extent that such Loss arises out of or results from (i) a breach of any representation made or warranty given in this Agreement by Medron, Wortley or King; and (ii) a breach of any term or condition of this Agreement by Medron, Wortley or King.

(c) Indemnification Procedure. The party seeking indemnification (the "Indemnified Party") shall (i) give the other party (the "Indemnifying Party") notice of the relevant claim; however, the failure to notify the Indemnifying Party or Parties shall not relieve any Indemnifying Party of any liability that it may have to the Indemnified Party except to the extent that such failure to notify shall have resulted in a waiver of any lawful and valid affirmative defense to any such claim or otherwise materially prejudices the Indemnifying Party or Parties in connection with the administration or defense of any such claim; (ii) cooperate with the Indemnifying Party, at the Indemnifying Party's expense, in the defense of such claim; and (iii) at the sole discretion of the Indemnified Party (x) control the defense and settlement of any such claim at the Indemnifying Party's expense or (y) give the Indemnifying Party the right to control the defense and settlement of any such claim at the Indemnifying Party's expense, provided, however, that the Indemnifying Party shall not enter into any settlement that affects the Indemnified Party's rights or interests without the Indemnified Party's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed.

(d) For purposes of this Agreement, "Loss" shall mean any and all damages, fines, fees, penalties, deficiencies, liabilities, losses and expenses, including without limitation, interest, reasonable expenses of investigation, court costs, reasonable fees and expenses of attorneys, accountants and other experts or other expenses of litigation or other proceedings or of any claim, default or assessment (such fees and expenses to include all fees and expenses, including without limitation fees and expenses of attorneys, incurred in connection with (i) the investigation or defense of any third party claims or (ii) successfully asserting or disputing any rights under this Agreement against any party hereto or otherwise).

10. Surviving Obligations. Termination or expiration of this Agreement shall not relieve any of the parties of their respective obligations under Sections 6, 7, 8, 9, 10, 11 or 17.

11. Governing Law/Venue. This Agreement shall be governed by the laws of the State of New York, regardless of conflict of law rules.

12. No Assignment. Neither this Agreement, nor any rights or obligations under it, may be assigned by any party without the prior written consent of the other parties.

13. Successors and Assigns. This Agreement shall benefit and be binding upon the parties and their successors, heirs, executors, personal representatives, and assigns.

14. Entire Agreement. This Agreement and the exhibits hereto and the documents referred to herein and therein constitute the entire understanding and agreements of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, expressed or implied, written or oral, between the parties with respect hereto. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof.

15. Notices. All notices and other communications pursuant to this Agreement shall be in writing and deemed to be sufficient if contained in a written instrument and shall be deemed given if delivered personally, telecopied, sent by nationally-recognized overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following address (or at such other address for a party as shall be specified by like notice):

If to AngioDynamics:

AngioDynamics, Inc.
603 Queensbury Avenue
Queensbury, New York 12804
Attention: Eamonn Hobbs
Telecopier: (518) 798-3625

With copy to:

Gregory J. Champion, Esq.
Bond, Schoeneck & King, PLLC
111 Washington Avenue
Albany, New York 12210-2211
Telecopier: (518) 533-3299

If to Medron, Inc.:

Medron, Inc.
1518 South Gladiola Street
Salt Lake City, Utah 84104
Attention: Ronald Wortley
Telecopier: (801) 974-3063

If to Ronald Wortley:

3129 Old Ridge Circle
Salt Lake City, Utah 84121
Telecopier: (801) 974-3063

If to Eric King:

3001 Chimney Rock Circle
West Jordan, Utah 84064
Telecopier: (801) 974-3063

With copy in each case to:

Kirton & McConkie
ATTN: Kenneth E. Horton
1800 Eagle Gate Tower
60 East South Temple
P.O. Box 45120
Salt Lake City, UT 84145-0120

16. Waiver. Any term or provision of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a writing signed by the party or parties to be bound thereby. The waiver of any provision of this Agreement, or of any breach of this Agreement, shall not constitute a subsequent waiver of any provision or breach.

17. Confidentiality: Press Releases. None of the parties (nor any of their employees, officers or representatives) shall (i) make any press release or announcement concerning the transactions contemplated hereby or the terms hereof, or (ii) reveal or discuss the terms of this Agreement or the transactions contemplated hereby with any person (other than their respective professionals in the course of performing their professional services), without prior written consent of the other parties, except as such party in good faith (based upon advise of counsel) believes is required by law and following notice to the other party.

18. Further Assurances. At any time from and after the Effective Date, each of the parties shall, without additional consideration, upon the request of another party, execute, acknowledge, and deliver such documents, and will take such other action consistent with the terms of this Agreement, as may be reasonably required to consummate the transactions contemplated by this Agreement and to permit each of the parties to enjoy their prospective rights and benefits hereunder.

19. Expenses. Medron, Wortley and King, on one hand, and AngioDynamics on the other, will bear their own respective expenses and legal fees incurred with respect to this Agreement and the transactions contemplated hereby.

20. Amendment. This Agreement may be modified or amended only upon the written consent of all parties to this Agreement.

21. Counterparts. This Agreement may be executed in one or more counterparts, which together shall form but one original document. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart.

* * *

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the date indicated by their signature.

ANGIODYNAMICS, INC.

By: _____
William M. Appling
Title: Vice President, Research
Date: _____

MEDRON, INC.

By: _____
Ronald Wortley
Title: President
Date: _____

RONALD WORTLEY

_____
Date: _____

ERIC KING

_____
Date: _____

Exhibit A
Medron, Wortley and King Assignment

ASSIGNMENT

WHEREAS, We, Ronald Wortley, an individual and citizen of the United States residing at 3129 Old Ridge Circle, Salt Lake City, Utah 84121, Eric King, an individual and citizen of the United States residing at 3001 Chimney Rock Circle, West Jordan, Utah 84064, (collectively "INVENTORS"), have made certain new and useful improvements in a *** Vascular Port, for which a provisional application for Letters Patent of the United States has been filed and assigned serial number *** and a filing date of September 30, 2005 ("Provisional Application"), and for which non-provisional Letters Patent will be sought.

WHEREAS, INVENTORS have conveyed their entire right, title and interest in and to the Provisional Application to Medron, Inc., a Utah Corporation with a principal place of business at 1518 South Gladiola Street, Salt Lake City, Utah 84104 ("ASSIGNOR").

WHEREAS, AngioDynamics, Inc., a corporation incorporated under the laws of the State of Delaware, and having an address at 603 Queensbury Avenue, Queensbury, New York 12804 ("ASSIGNEE") is desirous of acquiring the entire right and interest in the Provisional Application;

NOW, THEREFORE, BE IT KNOWN that for and in consideration of the sum of one dollar ($1.00) and other good and valuable consideration to us in hand paid, the receipt of which is hereby duly and fully acknowledged, INVENTORS, Ronald Wortley and Eric King hereby represent and warrant that we have conveyed our entire right, title and interest in and to the Provisional Application to ASSIGNOR, Medron, Inc., and ASSIGNOR, Medron, Inc. has sold and BY THESE PRESENTS does sell, assign, transfer and set over unto the said ASSIGNEE, AngioDynamics, Inc., any and all of its entire right, title and interest in and to the aforesaid Provisional Application, and all non-provisional patent applications containing a claim of priority thereto, including all divisions, continuations, continuations-in-part, and foreign rights thereunder.

Date: _____

_____
Ronald Wortley

STATE OF UTAH)
) ss.:
COUNTY OF _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a notary public in and for said State, personally appeared _____ _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed this instrument.

_____

_____

_____

*** Confidential material redacted and filed separately with the Commission.

Notary Public

Date: _____

_____
Eric King

STATE OF UTAH)
) ss.:
COUNTY OF _____)

On the __ day of _____ in the year ____ before me, the undersigned, a notary public in and for said State, personally appeared _____ _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed this instrument.

_____
Notary Public

Date: _____

_____
Medron, Inc.

By: _____
Its: _____

STATE OF UTAH)
) ss.:
COUNTY OF _____)

On the __ day of _____ in the year ____ before me, the undersigned, a notary public in and for said State, personally appeared _____ _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed this instrument.

_____
Notary Public

Exhibit A1
Wortley and King Assignment

ASSIGNMENT

WHEREAS, We, Ronald Wortley, an individual and citizen of the United States residing at 3129 Old Ridge Circle, Salt Lake City, Utah 84121, and Eric King, an individual and citizen of the United States residing at 3001 Chimney Rock Circle, West Jordan, Utah 84064, (collectively "ASSIGNORS"), have made certain new and useful improvements in an *** Vascular Port, for which United States Letters Patent is being sought ("Patent Application").

WHEREAS, AngioDynamics, Inc., a corporation incorporated under the laws of the State of Delaware, and having an address at 603 Queensbury Avenue, Queensbury, New York 12804 ("ASSIGNEE") is desirous of acquiring the entire right and interest in the Patent Application;

NOW, THEREFORE, BE IT KNOWN that for and in consideration of the sum of one dollar ($1.00) and other good and valuable consideration to us in hand paid, the receipt of which is hereby duly and fully acknowledged, Ronald Wortley and Eric King (ASSIGNORS) have sold and BY THESE PRESENTS do sell, assign, transfer and set over unto the said AngioDynamics, Inc. (ASSIGNEE) any and all of their entire right, title and interest in and to the aforesaid Patent Application, and all divisions, continuations, continuations-in-part, and foreign rights thereunder.

Date: _____

_____
Ronald Wortley

STATE OF UTAH)
) ss.:
COUNTY OF _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a notary public in and for said State, personally appeared _____ _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed this instrument.

_____
Notary Public

*** Confidential material redacted and filed separately with the Commission.

Date: _____

_____
Eric King

STATE OF UTAH)
) ss.:
COUNTY OF _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a notary public in and for said State, personally appeared _____ _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed this instrument.

_____
Notary Public

Exhibit A2
Potential Trademarks

Mark	Goods
SURE SIGHT	Vascular Ports

Schedule 7 (c)
Patent Rights

- Registration and identification numbers with respect to the Patent Pending Technology and the Provisional Application.

  US Provisional Pending Patent Application, Serial Number *** filed September 30, 2005

- Royalties paid by Medron, Wortley and King to a third-party with respect to the Patent Pending Technology and/or the Provisional Application.

None

- Third-party licenses or other rights granted with respect to use of the Patent Pending Technology and/or the Provisional Application.

None

- Processes methods or materials employed in the Patent Pending Technology and/or the Provisional Application that infringes any patent or trademark, service mark, trade name, copyright or is in conflict with any proprietary right of another.

None

- Third-parties infringing or potentially infringing on the Patent Pending Technology and/or the Provisional Application.

None

***Confidential material redacted and filed separately with the Commission.

Schedule 7 (e)
Government Consents

None

Schedule 7 (f)
Capital Structure

Shareholder Name	Number of Shares Held
Ron Wortley	10,000 (100%)

Schedule 7 (g)
Defaults or Litigation

None

Exhibit 31.1

CERTIFICATION

I, Eamonn P. Hobbs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Angiodynamics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 11, 2006

/s/ Eamonn P. Hobbs

Eamonn P. Hobbs, President,
Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATION

I, Joseph G. Gerardi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Angiodynamics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 11, 2006

/s/ Joseph G. Gerardi

Joseph G. Gerardi, Vice President –
Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Eamonn P. Hobbs, President, Chief Executive Officer and Director of ANGIODYNAMICS, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. the quarterly report on Form 10-Q of the Company for the fiscal quarter ended September 2, 2006 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 11, 2006

/s/ Eamonn P. Hobbs

Eamonn P. Hobbs, President,
Chief Executive Officer, Director

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph G. Gerardi, Vice President, Chief Financial Officer of ANGIODYNAMICS, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. the quarterly report on Form 10-Q of the Company for the fiscal quarter ended September 2, 2006 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 11, 2006

/s/ Joseph G. Gerardi

Joseph G. Gerardi, Vice President –
Chief Financial Officer and Treasurer