

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **April 2, 2008**

AngioDynamics, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-50761
(Commission File
Number)

11-3146460
(IRS Employer
Identification No.)

603 Queensbury Avenue, Queensbury, New York 12804
(Address of Principal Executive Offices) (Zip Code)

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

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

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

AngioDynamics, Inc. (the "Company") entered into a Settlement Agreement (the "Settlement Agreement"), effective April 2, 2008 with Diomed, Inc. ("Diomed") relating to the previously disclosed litigation entitled Diomed, Inc. v. AngioDynamics, Inc., Civil Action No. 04 10019 RGS, originally filed on January 6, 2004 in the U.S. District Court for the District of Massachusetts (the "Court"). A copy of the Settlement Agreement is filed with this Form 8-K as Exhibit 10.1 and the description below is qualified in its entirety by reference thereto.

Pursuant to the Settlement Agreement, (i) the Company will make a payment to Diomed in the amount of \$7,000,000, (ii) the Company and Diomed shall jointly request that the United States Court of Appeals for the Federal Circuit dismiss the pending appeal by the Company, and (iii) Diomed shall provide to the Company a satisfaction of judgment, releasing the Company from the monetary obligation imposed by the Court on August 3, 2007 in its entry of judgment against the Company.

A copy of the press release issued by the Company on April 2, 2008, announcing the Settlement Agreement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition

On April 2, 2008, the Company issued a press release, a copy of which is attached as Exhibit 99.1, announcing its financial results for the third quarter of fiscal 2008, which ended on February 29, 2008, and held a conference call after the close of the financial markets discussing the results and answering questions. A replay of the conference call will be available by telephone and on the Company's website through April 9, 2008.

The information provided pursuant to this Item 2.02 of this current report, including the information contained in Exhibit 99.1 is being furnished pursuant to such Item and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

Item 7.01 – Regulation FD Disclosure.

On April 2, 2008, the Company issued a press release, a copy of which is attached as Exhibit 99.1, updating its previously disclosed guidance with respect to full year fiscal 2008 financial results.

Forward-Looking Statements

This document and its attachments include "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Investors can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements contain words such as "expect," "reaffirm," "anticipate," "plan," "believe," "estimate," "may," "will," "predict," "project," "might," "intend," "potential," "could," "would," "should," "estimate," "seek," "continue," "pursue," or "our future success depends," or the negative or other variations thereof or comparable terminology, are intended to identify such forward-looking statements. In particular, they include statements relating to, among other things, future actions, strategies, future performance, future financial results of the Company. These forward-looking statements are based on current expectations and projections about future events.

Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified and, consequently, the actual performance or results of the Company may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the factors described from time to time in the Company's reports filed with the SEC, including the Company's Form 10-K for the fiscal year ended June 2, 2007 and Form 10-Q for the period ended November 30, 2007, financial community and rating agency perceptions of the Company; the effects of economic, credit and capital market conditions on the economy in general, and on medical device companies in particular; domestic and foreign health care reforms and governmental laws and regulations; third-party relations and approvals, technological advances and patents attained by competitors; and challenges inherent in new product development, including obtaining regulatory approvals. In addition to the matters described above, the ability of the Company to develop its products, future actions by the FDA or other regulatory agencies, results of pending or future clinical trials, the outcome of pending patent litigation, overall economic conditions, general market conditions, market acceptance, foreign currency exchange rate fluctuations, and the effects on pricing from group purchasing organizations and competition, may affect the actual results achieved by the Company.

Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. The Company disclaims any obligation to update the forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date stated, or if no date is stated, as of the date of this document.

Item 9.01 – Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
10.1	Settlement Agreement effective April 2, 2008.
99.1	Press Release dated April 2, 2008.

SIGNATURE

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

ANGIODYNAMICS, INC.
(Registrant)

Date: April 4, 2008

By: /s/ D. Joseph Gersuk
D. Joseph Gersuk
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Settlement Agreement effective April 2, 2008.
99.1	Press Release dated April 2, 2008.

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into as of March 28, 2008, and shall be effective as of the Effective Date defined hereinafter, by and between Diomed Inc. (“Diomed”), a Delaware corporation having a principal place of business at One Dundee Park, Suite 5, P.O. Box 97, Andover, Massachusetts (telecopy 978-475-8488) and AngioDynamics, Inc. (“AngioDynamics”), a Delaware corporation having its principal place of business at 603 Queensbury Avenue, Queensbury, New York 12804 (telecopy 518.798-3625). Diomed and AngioDynamics are referred to herein individually as a “Party” and collectively as “the Parties.”

W I T N E S S E T H

WHEREAS, prior to the Petition Date, Diomed filed a Complaint against AngioDynamics in the United States District Court for the District of Massachusetts (the “Court”), Civil Action No. 04-10019 (the “Litigation”) alleging infringement of U.S. Patent No. 6,398,777 (“the ‘777 patent”); and

WHEREAS, final judgment (the “Judgment”) in favor of Diomed was entered by the Court on August 3, 2007; and

WHEREAS, AngioDynamics filed a notice of appeal (the “Appeal”) to the United States Court of Appeals for the Federal Circuit (“CAFC”); and

WHEREAS, Hercules Technology Growth Capital Inc. (“HTGC”) claims a security interest and lien in the Judgment; and

WHEREAS, on March 14, 2008 (the “Petition Date”) Diomed and its parent, Diomed Holdings Inc., each respectively filed a voluntary petition for relief under chapter 11 to Title 11

of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Massachusetts (Worcester Division) (the “Bankruptcy Court”) at jointly administered Case No. 08-40749 (the “Bankruptcy Case”); and

WHEREAS, Diomed remains in control of its business and affairs as a debtor-in-possession pursuant to section 1107 and 1108 of the Bankruptcy Code; and

WHEREAS, this Settlement Agreement, subject to approval by the Bankruptcy Court, is entered into for the purpose of settling and compromising the monetary judgment awarded during the Litigation,, any post judgment interest thereon, and any claims for costs Diomed might have against AngioDynamics; and

WHEREAS, each Party has relied wholly upon its own judgment, after consultation with counsel, in entering into this Settlement Agreement;

WHEREAS, nothing herein is intended nor shall be construed to have any effect on any claims or counterclaims in this Litigation or any other litigation between Diomed and/or AngioDynamics and any entity that is not a Party to this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. On the Effective Date, AngioDynamics and Diomed shall send a letter or other required documents to Federal Insurance Company (“Federal”), surety on the supersedeas bond filed by AngioDynamics in connection with the Appeal, informing Federal that the Parties have entered into this Agreement, and instructing Federal to immediately take, from the assets deposited by AngioDynamics with Federal as security for the supersedeas bond, the sum of seven million dollars (\$7,000,000) (the “Angio Payment”) and deliver
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such sum in escrow to bankruptcy counsel to Diomed, McGuireWoods LLP (the “Escrow Agent”), to be disbursed to Diomed pursuant to the procedures set forth in Paragraphs 2 and 3 of this Agreement. The Parties agree that all other funds held by Federal are the sole and exclusive property of AngioDynamics and shall be returned to AngioDynamics at its direction. Diomed will execute and shall cause HTGC to execute any documents necessary to waive any claims to all funds held by Federal in excess of the Angio Payment set forth above and to confirm that all such excess funds shall be returned at AngioDynamics’ direction. In the event that Federal fails to make the payment described above to the Escrow Agent within three business days of receipt of the documents requesting such payment, AngioDynamics shall, by close of business on the very next business day, make the \$7,000,000 payment by wire transfer in immediately available funds to the Escrow Agent in lieu of the payment from Federal. As a condition to such payment by AngioDynamics, Diomed will deliver to Federal and cause HTGC to deliver to Federal any documents required relinquishing and waiving any claim to the funds held by Federal and confirming that such funds shall be released as directed by AngioDynamics.

2. On the next business day after the Angio Payment has been placed in escrow with the Escrow Agent, the Parties shall submit, or cause to be submitted, a joint request to the CAFC that the CAFC dismiss the Appeal pursuant to Fed. R. App. P. 42. The joint request (the “Joint Request”) shall be substantially in the form of Exhibit A to this Agreement.

3. Within two (2) business days after the CAFC dismisses the Appeal pursuant to the Joint Request , Diomed shall execute and deliver to the Escrow Agent and cause the Escrow Agent to provide to AngioDynamics a Satisfaction of Judgment (the “Satisfaction of Judgment”) which shall provide that AngioDynamics has satisfied in full the monetary judgment of the Court entered on August 3, 2007 and is therefore released from said monetary obligation. The Satisfaction of Judgment shall be substantially in the form of Exhibit B to this Agreement. The Satisfaction of Judgment shall be delivered with a written release from HTGC of its security interest and lien in the Judgment (the “Secured Creditor Release”). The Secured Creditor Release shall be substantially in the form of Exhibit C to this Agreement. After delivery of the Satisfaction of Judgment and the Secured Creditor Release to AngioDynamics, the Escrow Agent will be permitted to disburse the Angio Payment in the amount set forth in the Order of the Bankruptcy Court authorizing and approving this Agreement. Diomed further agrees that, in light of this Agreement and the payment it is receiving, Diomed is not entitled to recover any costs from AngioDynamics relating to the Litigation and agrees not to file a Bill of Costs as to AngioDynamics in either the Court or CAFC. In addition, Diomed will, and will cause HTGC to, execute any necessary documents to effectuate the formal release of the supersedeas bond provided by AngioDynamics in connection with the Appeal. Nothing herein or in the Satisfaction of Judgment shall amend, alter, or release AngioDynamics’ obligations pursuant to the Permanent Injunction entered by the Court on July 2, 2007.

4. This Agreement shall be binding upon each Party, its parents, subsidiaries, affiliates, partners, shareholders, agents, employees, representatives, successors and assigns.

5. For a period commencing on the Effective Date and running for one hundred eighty (180) days thereafter, neither Party shall commence any new civil action against the other Party or its parent or subsidiary entities, on any basis for any alleged cause of action, whether or not now known, arising from any facts or circumstances having taken place prior to the date hereof. In the event of any new civil action or reexamination involving the '777 patent, or any reissued or reexamined version thereof, or any foreign counterpart thereto, neither Party shall be precluded from raising or litigating any issue that was or could have been raised in the Litigation and neither Party shall claim that collateral estoppel, res judicata or any other legal doctrine precludes any such issue from being raised and litigated. Furthermore, no appeal shall be taken from the Order of the Court dated January 15, 2008 pertaining to allegations of contempt.

6. The Effective Date of this Agreement shall be the date upon which all of the following have occurred:

(a) approval and authorization of this Agreement by the Board of Directors of Diomed, with notice given by Diomed to AngioDynamics; and

(b) approval and authorization of this Agreement by the Board of Directors of AngioDynamics, with notice given by AngioDynamics to Diomed; and

(c) entry of an order by the Bankruptcy Court in a form and substance satisfactory to AngioDynamics authorizing and approving this Agreement in accordance with Federal Rule of Bankruptcy Procedure 9019 and Bankruptcy Code Section 363.

If the Effective Date has not occurred by April 5, 2008, then either Diomed or AngioDynamics shall have the right to terminate this Agreement by written notice to the other. Notwithstanding the foregoing, Diomed shall use good faith best efforts to have the Bankruptcy Court consider authorization and approval of the Agreement on its previously scheduled hearing date of April 2, 2008.

7. With respect to the owners of any right, title, or interest in or to the '777 patent or any foreign counterparts thereto, subject to receipt of the approval of its Board of Directors referred to in Section 6(a), Diomed hereby represents and warrants that it has full authority on behalf of all owners to enter into this Agreement as provided by Paragraph 4.6(b) of the July 11, 2003 License Agreement between Diomed and Endolaser Associates LLC (which is the only entity that has any such rights other than Diomed) and to perform its obligations under this Agreement. With respect to inventor and former owner Dr. Robert Min, Diomed represents and warrants that it has full authority to enter into this Agreement as provided by Paragraph 5.4(b) of the July 23, 2003 Purchase Agreement between Diomed and Dr. Min, and to perform its obligations under this Agreement.

8. Subject to receipt of the approval of its Board of Directors referred to in Section 6(b), AngioDynamics hereby represents and warrants that it has full authority to enter into this Agreement and to perform its obligations under this Agreement.

9. This Agreement shall be governed by and be interpreted under the internal laws of the Commonwealth of Massachusetts, without regard to conflicts of laws principles, and the Parties consent to personal jurisdiction in Massachusetts and agree that all litigation to enforce the terms hereof shall occur in a court of competent jurisdiction within the federal or state courts of Massachusetts.

10. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and the illegal or invalid part, term, or provision shall be deemed not to be part of this Agreement.

11. Both Parties having contributed to the drafting of this Agreement, there shall be no presumption against either Party in the interpretation of any ambiguities it may contain.

12. This Agreement supersedes any prior or contemporaneous communications, whether written or oral, concerning the terms of this settlement, and it constitutes the full and complete agreement of the Parties. This Agreement shall not be orally modified in any respect, and can be modified only by the written agreement of both Parties.

13. All notices, requests and demands to or upon the Parties to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or one business day after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, sent to the address set forth in the first paragraph of this Agreement (or to such other address as may be hereafter notified by any Party).

14. This Agreement may be executed in counterparts and/or by facsimile. Any Party that provides its signature by facsimile shall provide the opposing Party with an original ink signature within five business days thereafter; however, this Agreement shall take full effect immediately upon the exchange of the Parties' signatures by facsimile.

15. Each person signing this Agreement represents that he is authorized to sign it on behalf of the Party for which he purports to sign.

[Signature page follows.]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by the signature of its officer affixed below.

DIOMED, INC.

By: /s/ James A. Wylie, Jr.

Name: James A. Wylie, Jr.

Title: President & CEO

Dated: March 28, 2008

ANGIODYNAMICS, INC.

By: /s/ Eamonn P. Hobbs

Name: Eamonn P. Hobbs

Title: President & CEO

Dated: March 28, 2008

ANGIODYNAMICS®

INCORPORATED

FOR IMMEDIATE RELEASE

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AngioDynamics Reports Fiscal Third Quarter 2008 Financial Results And Announces Settlement of Patent Litigation with Diomed

- *Sales Increase 52% to \$40.7 Million*
- *Net Income (including settlement with Diomed) of \$4.9 Million and EPS of \$0.20*
- *Adjusted Income (Non GAAP) of \$7.2 Million and Adjusted EPS (Non GAAP) of \$0.30 Per Share*
- *Record Cash Flow from Operations of \$9.9 Million During Quarter*
- *Conference Call Begins Today at 4:30 p.m. Eastern Time*

QUEENSBURY, N.Y. April 2, 2008 — AngioDynamics (NASDAQ: ANGO), a leading provider of innovative medical devices used by interventional radiologists, nephrologists, and surgeons for the minimally invasive treatment of cancer and peripheral vascular disease, today reported financial results for the fiscal third quarter of 2008, which ended on February 29, 2008.

The Company also announced it has entered into a settlement agreement with Diomed Inc. (AMEX: DIO), for the purpose of resolving the patent infringement lawsuit between the companies originally filed in January 2004. As a result of the settlement, AngioDynamics reduced its litigation provision and recorded a gain, net of costs, of approximately \$3.2 million pre-tax, \$2.0 million after-tax, and \$0.08 in earnings per share, as reflected in the fiscal third quarter results.

AngioDynamics reported \$40.7 million in net sales in the fiscal third quarter, a 52% increase over the \$26.7 million reported in the third quarter a year ago. Gross margin rose to 62.2% from 59.6% in the prior year third quarter. Operating income in the third quarter of 2008 was \$7.6 million and net income was \$4.9 million, or \$0.20 per share, which includes the gain from the settlement with Diomed. Excluding this gain, operating income was \$4.5 million and net income was \$ 2.9 million, or \$0.12 per share, compared with a net loss of \$16.4 million, or \$0.88 per share, in the third quarter of 2007. In last year's fiscal third quarter, the Company's net loss included a litigation provision for Diomed and an in-process R&D charge associated with the January 29, 2007 acquisition of RITA Medical Systems.

The Company reported \$9.9 million in cash flow from operations in the fiscal third quarter and \$20.1 million fiscal year to date -- a nearly six-fold increase over the \$3.4 million reported in the prior fiscal year to date period. Cash and investments totaled \$88.8 million at quarter end.

“We continue to generate strong oncology product sales growth this fiscal year -- 26% pro forma growth in the quarter and 24% year to date,” said Eamonn Hobbs, president and chief executive officer. “Interventional product sales grew 10% on a pro forma basis this quarter, which was a lower growth rate than we expected. Price competition in the dialysis market, slower sales growth in vascular access and ports products, and delays in shipping our NeverTouch™ VenaCure® procedure kits and the recently launched Centros™ dialysis catheter all had an impact on the Interventional product sales growth during the quarter. Nonetheless, we were able to significantly improve gross profit margins, maintain healthy operating income and generate nearly \$10 million in operating cash flow in the quarter,” added Mr. Hobbs.

“Following a comprehensive internal review of our sales force, competitive position, industry and economic trends and sales strategy, we recently implemented a five-step plan to drive consistent growth. We believe the keys to achieving consistent growth include additions to our sales force, a more rapid R&D pipeline conversion, tuck-in acquisitions, improved product life-cycle management, and a more focused approach to the national account market. Our organization is focused on executing this plan,” said Mr. Hobbs.

Of the \$40.7 million in third quarter net sales, AngioDynamics products constituted \$25.4 million and RITA Medical products constituted \$15.3 million. AngioDynamics product sales grew 12% in the third quarter over the prior year quarter. On a pro forma basis, RITA Medical product sales grew 17% in the third quarter versus the comparable period a year ago. Total Company net sales grew 14% in the third quarter on a pro forma basis over the prior year third quarter.

For the nine months of fiscal 2008, net sales were \$119.7 million, which is 68% higher than net sales of \$71.4 million for the same period of fiscal 2007. Net income for the nine months of fiscal 2008 was \$10.4 million, or \$0.43 per diluted share, compared to a net loss of \$12.1 million or \$0.73 per share in the comparable prior year period.

During the quarter, AngioDynamics highlighted results from a preliminary study of Centros™, a self-centering, tunneled hemodialysis access catheter. The preliminary results were presented by Dr. Stephen Ash at the International Symposium on Endovascular Therapy in January. In addition, the Company continues to work with Oncobionic on the Irreversible Electroporation (IRE) development program. A human malignant prostate clinical trial in Florida began this week while a similar trial in Italy is now expected to begin this month.

Fiscal 2008 Guidance

The Company’s outlook for fiscal 2008 is as follows:

-- Net sales in the range of \$165-\$167 million

-- Gross profit margin in the range of 61-62%

-- GAAP operating income in the range of \$22-23 million

-- GAAP EPS in the range of \$0.58-\$0.61

-- Non-GAAP adjusted income of at least \$29 million. Non-GAAP adjusted income excludes stock-based compensation, amortization of intangibles, settlement of Diomed patent litigation, and includes the cash benefit from the use of NOLs.

AngioDynamics is currently in the midst of its fiscal 2009 planning process. As a result, the Company currently expects to provide guidance for fiscal 2009 after the completion of the current fiscal year, which ends May 31, 2008.

Patent Litigation Settlement with Diomed

Under the Settlement Agreement with Diomed, all claims and appeals by each side will be dismissed following a one-time payment of \$7 million from AngioDynamics to Diomed in full and final satisfaction of the monetary judgment related to the alleged infringement of U.S. Patent No 6,398,777. Following the March 2007 jury verdict and subsequent monetary judgment award, AngioDynamics recorded a \$9.6 million litigation provision in its fiscal third quarter of 2007 and the provision had increased to \$10.2 million primarily as a result of interest accrued on the award.

“We elected to end what has been a major distraction for our management team at a cost to our Company that is less than the amount Diomed was awarded by the judge after the jury verdict in late March of last year,” said Mr. Hobbs. “As a result of the settlement, we will now have additional cash to invest in the growth of our business.”

On January 6, 2004, Diomed filed an action against AngioDynamics and a codefendant over Diomed’s U.S. patent No. 6,398,777, asserting infringement by AngioDynamics’ VenaCure® product line. On March 28, 2007, a jury ruled in favor of Diomed in the Federal District Court in Boston, Massachusetts. AngioDynamics had appealed the verdict with the U.S. Court of Appeals, Federal Circuit, and oral arguments were expected to be presented in March or April of this year. All of these events have been previously disclosed by AngioDynamics.

Conference Call

AngioDynamics management will host a conference call to discuss these announcements today beginning at 4:30 p.m. Eastern Time. To participate in the call, please dial (800) 240-4186 from the U.S. or (303) 262-2139 from outside the U.S.

In addition, individuals can listen to the call on the Internet by visiting the investor relations portion of the Company's Web site at <http://investor.angiodynamics.com>. To listen to the live call, please go to the website 15 minutes prior to its start to register, download, and install the necessary audio software.

A replay will be available on the website. A telephone replay will be available from 7:30 p.m. Eastern time on April 2, 2008 through 11:59 p.m. Eastern time on April 9 by dialing (800) 405-2236 (domestic) or (303) 590-3000 (international) and entering the passcode: 11110709#.

Use of Non-GAAP Measures

Management uses non-GAAP measures to establish operational goals, and believes that non-GAAP measures may assist investors in analyzing the underlying trends in the Company's business over time. Investors should consider these non-GAAP measures in addition to, not as a substitute for or as superior to, financial reporting measures prepared in accordance with GAAP. In this news release, the Company has reported non-GAAP adjusted income and adjusted EPS. Adjusted income and adjusted EPS excludes amortization of purchased intangibles, stock-based compensation expense (net of tax), and includes the cash benefit from the use of acquired net operating losses. In addition, the Diomed litigation provision and the related gain on settlement have also been excluded from adjusted income. In the prior fiscal year, non-GAAP adjusted income and EPS also excludes the RITA Medical acquired in process R&D charge. Management uses these measures in its internal analysis and review of operational performance. Management believes that these measures provide investors with useful information in comparing the Company's performance over different periods, particularly when comparing this period to periods in which the Company did not incur any expenses relating to these activities or items. By using these non-GAAP measures, management believes that investors get a better picture of the performance of the Company's underlying business. Management encourages investors to review the Company's financial results prepared in accordance with GAAP to understand the Company's performance taking into account all relevant factors, including those that may only occur from time to time but have a material impact on the Company's financial results. Please see the tables that follow for a reconciliation of GAAP to non-GAAP measures.

About AngioDynamics

AngioDynamics, Inc. is a leading provider of innovative medical devices used by interventional radiologists, surgeons, and other physicians for the minimally invasive treatment of cancer and peripheral vascular disease. The Company's diverse product line includes market-leading radiofrequency ablation systems, vascular access products, angiographic products and accessories, dialysis products, angioplasty products, drainage products, thrombolytic products, embolization products and venous products. More information is available at www.angiodynamics.com.

Safe Harbor

The statements made in this document include forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Words such as "expects," "reaffirms" "intends," "anticipates," "plans," "believes," "seeks," "estimates," or variations of such words and similar expressions, are intended to identify such forward-looking statements. Investors are cautioned that actual events or results may differ from the Company's expectations. In addition to the matters described above, the ability of the Company to develop its products, future actions by the FDA or other regulatory agencies, results of pending or future clinical trials, overall economic conditions, general market conditions, market acceptance, foreign currency exchange rate fluctuations, the effects on pricing from group purchasing organizations and competition, as well as the risk factors listed from time to time in the SEC filings of AngioDynamics, Inc., including but not limited to its Annual Report on Form 10-K for the year ended June 2, 2007, may affect the actual results achieved by the Company. The Company does not assume any obligation to publicly update or revise any forward-looking statements for any reason.

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ANGIODYNAMICS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(in thousands, except per share data)

	Three months ended		Nine months ended	
	Feb 29, 2008 (unaudited)	Mar 3, 2007	Feb 29, 2008 (unaudited)	Mar 3, 2007
Net sales	\$ 40,725	\$ 26,738	\$ 119,748	\$ 71,372
Cost of sales (1)	15,407	10,789	46,474	29,253
Gross profit	25,318	15,949	73,274	42,119
% of net sales	62.2%	59.6%	61.2%	59.0%
Operating expenses				
Research and development (1)	3,955	14,248	10,360	17,512
Sales and marketing (1)	11,725	8,048	33,540	20,467
General and administrative (1)	3,409	3,571	11,604	9,095
Amortization of purchased intangibles	1,777	566	5,006	702
Litigation provision (gain on settlement)	(3,151)	9,600	(3,151)	9,600
Total operating expenses	17,715	36,033	57,359	57,376
Operating income (loss)	7,603	(20,084)	15,915	(15,257)
Other income, net	238	1,045	688	3,263
Income (loss) before income taxes	7,841	(19,039)	16,603	(11,994)
Provision for (benefit from) income taxes	2,951	(2,634)	6,233	59
Net income (loss)	\$ 4,890	\$ (16,405)	\$ 10,370	\$ (12,053)
Earnings per common share				
Basic	\$ 0.20	\$ (0.88)	\$ 0.43	\$ (0.73)
Diluted	\$ 0.20	\$ (0.88)	\$ 0.43	\$ (0.73)
Weighted average common shares				
Basic	24,123	18,694	24,042	16,613
Diluted	24,404	18,694	24,343	16,613

ANGIODYNAMICS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(in thousands, except per share data)

	Three months ended		Nine months ended	
	Feb 29, 2008 <small>(unaudited)</small>	Mar 3, 2007	Feb 29, 2008 <small>(unaudited)</small>	Mar 3, 2007
(1) Includes stock-based compensation charges of:				
Cost of sales	\$ 164	\$ 128	\$ 479	\$ 318
Research and development	208	174	611	439
Sales and marketing	377	301	1,102	677
General and administrative	363	409	1,466	996
Total stock-based compensation	1,112	1,012	3,658	2,430
Less: tax benefit	(336)	(326)	(1,113)	(822)
Net stock-based compensation	\$ 776	\$ 686	\$ 2,545	\$ 1,608

Reconciliation of Net Income to non-GAAP adjusted income:

Net income (loss)	\$ 4,890	\$ (16,405)	\$ 10,370	\$ (12,053)
Stock-based compensation	1,112	1,012	3,658	2,430
Amortization of purchased intangibles	1,777	566	5,006	702
Cash benefit from use of NOL's	1,724	-	4,714	-
Litigation provision (gain on settlement)	(3,151)	9,600	(3,151)	9,600
Acquired in process R&D	-	12,100	-	12,100
Adjusted income before taxes	6,352	6,873	20,597	12,779
Effect of income taxes	855	(3,974)	78	(4,470)
Adjusted income	\$ 7,207	\$ 2,899	\$ 20,675	\$ 8,309
Adjusted income per common share				
Basic	\$ 0.30	\$ 0.16	\$ 0.86	\$ 0.50
Diluted	\$ 0.30	\$ 0.16	\$ 0.85	\$ 0.50
Weighted average common shares				
Basic	24,123	18,694	24,042	16,613
Diluted	24,404	18,694	24,343	16,613

ANGIODYNAMICS, INC. AND SUBSIDIARIES
NET SALES BY PRODUCT CATEGORY AND BY GEOGRAPHY
(in thousands)

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>Feb 29, 2008</u>	<u>Mar 3, 2007</u>	<u>Feb 29, 2008</u>	<u>Mar 3, 2007</u>
	<u>(unaudited)</u>		<u>(unaudited)</u>	
Net Sales by Product Category				
Interventional Products	\$ 31,344	\$ 24,506	\$ 92,382	\$ 69,140
Oncology Products	9,381	2,232	27,366	2,232
Total	<u>\$ 40,725</u>	<u>\$ 26,738</u>	<u>\$ 119,748</u>	<u>\$ 71,372</u>
 Net Sales by Geography				
United States	\$ 37,021	\$ 25,248	\$ 108,617	\$ 68,071
International	3,704	1,490	11,131	3,301
Total	<u>\$ 40,725</u>	<u>\$ 26,738</u>	<u>\$ 119,748</u>	<u>\$ 71,372</u>

ANGIODYNAMICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>Feb 29,</u> <u>2008</u>	<u>Jun 2,</u> <u>2007</u>
	(unaudited)	(2)
Assets		
Current Assets		
Cash and cash equivalents	\$ 43,646	\$ 28,313
Restricted cash	10,981	1,786
Marketable securities	34,206	43,191
Total cash and investments	<u>88,833</u>	<u>73,290</u>
Receivables, net	22,762	20,798
Inventories, net	25,324	28,007
Deferred income taxes	1,084	2,247
Prepaid expenses and other	2,622	2,957
Total current assets	<u>140,625</u>	<u>127,299</u>
Property, plant and equipment, net	19,919	16,832
Intangible assets, net	47,203	49,148
Goodwill	154,430	153,787
Deferred income taxes	25,492	29,289
Other non-current assets	9,270	6,926
Total Assets	<u>\$ 396,939</u>	<u>\$ 383,281</u>
Liabilities and Stockholders' Equity		
Current portion of long-term debt	\$ 10,040	\$ 315
Litigation provision	7,000	9,790
Other current liabilities	19,189	20,103
Long-term debt, net of current portion	7,160	17,115
Total Liabilities	<u>43,389</u>	<u>47,323</u>
Stockholders' equity	353,550	335,958
Total Liabilities and Stockholders' Equity	<u>\$ 396,939</u>	<u>\$ 383,281</u>
Shares outstanding	24,178	23,962

(2) Derived from audited financial statements

ANGIODYNAMICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Nine months ended	
	Feb 29, 2008 <u>(unaudited)</u>	Mar 3, 2007 <u>(unaudited)</u>
Cash flows from operating activities:		
Net income	\$ 10,370	\$ (12,053)
Depreciation and amortization	6,689	1,750
Tax benefit from exercise of stock options	223	611
Deferred income taxes	4,901	(4,395)
Stock-based compensation	3,658	2,430
Litigation provision (gain on settlement)	(3,151)	9,600
Purchased research and development expense	-	12,100
Other	602	71
Changes in operating assets and liabilities		
Receivables	(2,242)	1,003
Inventories	1,881	(4,734)
Accounts payable and accrued liabilities	(637)	(3,281)
Other	(2,162)	335
Net cash provided by operating activities	20,132	3,437
Cash flows from investing activities:		
Additions to property, plant and equipment	(4,792)	(2,970)
Acquisition of intangible assets and business	(3,471)	(29,990)
Change in restricted cash	(9,195)	(3,416)
Purchases of marketable securities, net	9,650	(2,989)
Net cash used in investing activities	(7,808)	(39,365)
Cash flows from financing activities:		
Repayment of long-term debt	(230)	(135)
Issuance of long term debt	-	5,000
Proceeds from exercise of stock options and ESPP	3,209	3,911
Other	30	1,162
Net cash provided by financing activities	3,009	9,938
Increase (decrease) in cash and cash equivalents	15,333	(25,990)
Cash and cash equivalents		
Beginning of period	28,313	64,042
End of period	\$ 43,646	\$ 38,052