

**— PARTICIPANTS****Corporate Participants**

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**Mark J. Namaroff** – Director-Strategic Marketing & Investor Relations

**James W. Green** – President, Chief Executive Officer & Director

**Michael L. Levitz** – Chief Financial Officer, Treasurer & VP

**Other Participants**

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**Dalton L. Chandler** – Analyst, Needham & Co. LLC

**Larry Solow** – Analyst, CJS Securities, Inc.

**Josephine Lin Millward** – Analyst, The Benchmark Co. LLC

**Jiwon Lee** – Analyst, Sidoti & Co. LLC

**— MANAGEMENT DISCUSSION SECTION**

Operator: Good afternoon and welcome to Analogic Corporation's first quarter conference Call for fiscal 2012. The following corporate officers are present. Mr. Jim Green, President and CEO; Mr. Michael Levitz, Vice President and Treasurer; and Mr. John Fry, Vice President, General Counsel and Corporation Secretary.

I'd like to remind everyone that a supplementary financial presentation will be used during today's call. If you have not downloaded that presentation you can do so at any time at [investor.analogic.com](http://investor.analogic.com). That presentation will remain available until January 9, 2012.

Now, I'd like to turn the call over to Mark Namaroff, Director of Investor Relations and Corporate Marketing. Please go ahead, sir.

**Mark J. Namaroff, Director-Strategic Marketing & Investor Relations**

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Good afternoon, everyone and welcome to Analogic's first quarter conference call for fiscal 2012. I'm sure all of you have downloaded our press release issued earlier today describing our results for the quarter. But if not, you can do so via our website at [investor.analogic.com](http://investor.analogic.com).

Before I turn the call over to Jim Green and Mike Levitz to review our first quarter results, I would like to remind everyone of our Safe Harbor statement.

Today's call may include forward-looking statements such as comments about plans, expectations and projections. For more information on risk and other factors that could cause our actual results to differ significantly from our forward-looking statements, please refer to our most recent Form 10-K and 10-Q reports on file with the SEC.

And now, I'd like to turn the call over to Jim Green, our President and CEO.

**James W. Green, President, Chief Executive Officer & Director**

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Thank you, Mark. Hello, everybody. Let's move to Slide four of the presentation and start with the highlights for the first quarter.

Revenues in the quarter came in at \$118 million, that's up 14% from Q1 of our fiscal 2011. GAAP operating margin was 5% and non-GAAP operating margin measured 8%. Diluted earnings per share was \$0.32, which is up 60% from the same quarter of last year. On a Non-GAAP basis, our earnings per share was \$0.53 and that's 15% up from last year.

Moving to Slide five, let's look at the business highlights for the quarter. Starting with our Medical Imaging business, Medical Imaging revenues were up 13% from last year. Digital mammography was a key growth driver. MRI and CT revenue growth was led by our premium products. Motion control revenue declined primarily due to a sale of a small non-core UK motion operation.

As for our Ultrasound business, Ultrasound revenue was up 22%. Our direct sales were up 19% driven by growth of Flex Focus sales in the U.S. OEM transducer sales were up due to new transducer product line we acquired in the second quarter of last year. I'm happy to announce the first shipments of exciting new Ultrasound system designed specifically for robotic surgery.

Let's move to the next slide. It's encouraging to see our Security businesses in the process of transitioning to product revenue. We saw a 35% growth in product revenues. Overall, Security revenue was down 6% from lower customer funded engineering as we near the completion of some current key projects. I am glad to say we received \$20 million product order from L-3 for reduced size and high-speed systems and this order came in after the end of the quarter.

We recently learned that the EU regulations have been revised to extend the deadline for mandatory conversion to CT-level detection by two years. Though I like the idea of an early mandatory conversion to products like ours, we are still bullish on the overall size of the opportunity in Europe as CT-level detection is adopted.

Looking to other business highlights, we established \$100 million five-year revolving line of credit and we completed \$30 million stock repurchase program and after the quarter ended, our board has authorized a new \$30 million stock repurchase.

Now, I'll turn it over to Mike Levitz, our CFO, who will review the financials in a little more detail. Mike?

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**Michael L. Levitz, Chief Financial Officer, Treasurer & VP**

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Thank you, Jim. Good evening, everyone. I am going to describe the financial results for the first quarter of fiscal 2012 which ended October 31 as compared to the same period of last year. This information begins on Slide eight of our online presentation.

As Jim mentioned, the Analogic sales grew 14% this quarter compared to the same period of last year, reaching just under \$118 million. Revenue growth this quarter was driven by our Medical Imaging business which grew 13% and our Ultrasound business which grew 22%. This significant revenue growth is a result of new product introductions in these segments and expansion of our Ultrasound sales force. I'll go into further detail by segment shortly.

Our gross margin was 37% in the first quarter of fiscal 2012. This is 1 point lower than the 38% we reported at the same period last year and primarily reflects lower than usual production yield in our digital mammography product line.

Our GAAP operating margin was 5% in the first quarter of 2012. That was an increase over the 2% we reported the same period last year.

Included in our GAAP results during the first quarter were pre-tax expenses totaling \$1.4 million associated with the investigation involving our Danish subsidiary and certain of its foreign

distributors. Of this amount, \$1 million related to specific inquiry-related expenses and \$400,000 related to employee-severance costs for employees terminated as a result of the investigation.

Included in our GAAP results in the same period last year were \$3.6 million of pre-tax restructuring costs, primarily associated with the consolidation of our Denmark and Canton, Massachusetts manufacturing operations and to our other facilities in the United States and China.

On a non-GAAP basis, our operating margin in the first quarter was 8%, consistent with the operating margin in the same period last year and in line with our plans to go to double-digit non-GAAP operating margins this year.

Operating profit dollars on a non-GAAP basis rose 16% as we're growing revenues with better operational leverage. Please note that of the \$1.4 million in distributor-matter charges I just mentioned, our non-GAAP operating results exclude the \$1 million of expenses associated specifically with the inquiry, as these costs are outside of the ongoing operations of our business, but our results do include the \$400,000 of expenses related to severance for employees terminated associated with the investigation.

Turning to Slide nine and our P&L for the period, the financial performance for the first quarter of 2012 resulted in GAAP net income of \$4 million or \$0.32 per diluted share, representing 60% growth in EPS over the same period last year.

Our non-GAAP net income was \$6.7 million in the first quarter, up \$0.53 per diluted share, which represented 15% growth in EPS over the same period last year. Growth in income during the period reflected growth in revenues, improved operating leverage and favorable taxes.

Over the next few slides I'll walk through the trends in each of our three operating segments. Please note that we have expanded the detail of our presentation by segment this quarter to now include segment operating margins on both a GAAP and non-GAAP basis in line with our overall company presentation.

Please also note that at the end of fiscal 2011, we realigned our Ultrasound business combining our direct sales Ultrasound Systems business with our OEM Ultrasound transducer business under common leadership. As a result, our Ultrasound segment now includes the results from our OEM Ultrasound transducer business previously included in our Medical Imaging segment. All periods presented now reflect this revised segment structure.

Slide 10 demonstrates the recent financial trends in our Medical Imaging segment, which as I mentioned earlier, no longer includes our OEM Ultrasound transducer business that is now in our Ultrasound segment. The Medical Imaging business grew 13% from the same period last year. This growth was led by our Digital Mammography business, which saw double-digit growth, reflecting increasing sales volume from Siemens and other OEM customers.

We also saw increased sales in our CT and MRI product line, primarily from premium products such as 3T for MRI and 64-slice in CT. Also within the segment, our Copley motion control product line experienced a decrease in revenues, primarily reflecting divestiture of our Copley UK motion systems operation, which we sold at the end of last fiscal year, as well as softening in the semiconductor market.

The Medical Imaging segment operating margin improved notably this quarter with non-GAAP operating margins reaching 10%, in line with our double-digit total company goal, reflecting improving operating efficiency.

Turning to Slide 11. Our Ultrasound segment revenue was up 22% in the first quarter compared to the same period of last year with 19% growth in revenues in our direct sales Ultrasound Systems

business. The growth in this business was led by over 20% revenue growth in the United States, where we are seeing continued penetration of our expanded Flex Focus product line as well as the benefit of our investment in expanding our sales force.

We also benefited from favorable currency rates during the period on sales outside the U.S., which contributed two points to our revenue growth. Revenue in this segment also included the favorable impact of our acquisition of the Tetrad OEM Ultrasound transducer product line, which we purchased in the second quarter of last year.

As I mentioned earlier, our operating margins were unfavorably impacted this quarter by expenses associated with the BK distributor matter. The \$1.4 million of expenses related to this matter in Q1 reduced GAAP operating margin by four points. We have conducted a diligent inquiry into this matter and have voluntarily disclosed both the matter and the findings of our inquiry to the government. I would like to reiterate that our financial statements in all periods have been properly stated and we do not expect the wind down of distributors as a result of this inquiry to have a material adverse impact on our stated plans and goals.

In addition to the impact this quarter of the distributor matter related cost, we also recorded certain organizational transition and cleanup adjustments during the quarter as part of the realignment of our Ultrasound organization. These adjustments unfavorably impacted operating income by \$900,000 or two points of operating margin. As I mentioned earlier, of the \$1.4 million in distributor matter related charges this quarter, our non-GAAP operating results exclude the \$1 million of expenses, specifically related to the inquiry as they're outside of the ongoing operations of our business, but again, do include the \$400,000 of severance costs.

Overall, the 4% non-GAAP operating margin in Ultrasound this quarter was below our expectations, primarily due to the employee severance charges as well as the organizational transition and cleanup expense. We do not expect these types of expenses to be recurring and expect improved operating leverage going forward, reflecting the benefit of the growing revenue base as well as cost savings from the organizational realignment in this business.

Turning to Slide 12, our Security Technology business. We saw a 35% increase in product revenues this quarter as compared to the same quarter of last year as we shipped 14 systems this quarter compared to 10 systems in the same quarter of fiscal 2011. This product revenue growth was offset by a reduction in engineering revenue as we near completion of key development efforts which are proceeding according to schedule. The net impact was a 6% decrease in total Security revenues this quarter.

Non-GAAP operating margin was 7%, down from prior periods due primarily to the lower funded development efforts this quarter. As Jim mentioned, subsequent to quarter-end, we received an order which increased system backlog by \$20 million to a total of \$47 million. We expect to ship systems under this order over the next 12 to 15 months.

Turning to Slide 13, we ended the quarter with just over \$151 million in cash and investments. The decrease from the end of last year primarily reflects spending of \$11.8 million in the quarter repurchasing our common stock under our previously announced \$30 million stock repurchase program. And just after the quarter ended, we completed the remaining \$3 million left under this program. In total, under this program, we repurchased just under 587,000 shares at an average price of just over \$51 per share. As Jim mentioned, our board of directors has now authorized an additional \$30 million repurchase program.

During the quarter, we also saw increased capital spending, primarily due to spending on our new facility in Shanghai, which is proceeding as planned and we expect to come online in the first calendar quarter of 2012.

In summary, we're pleased with the revenue growth we saw in the first quarter and expect continued improvement in our operating margin, in line with our goal of double-digit non-GAAP operating margins for the fiscal year, as we see the benefits of our efforts to improve operating efficiency across our organization.

I'll now turn the call back to Jim.

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**James W. Green, President, Chief Executive Officer & Director**

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Thanks, Mike. Move to Slide 14 and look at our summary and our future outlook. In summary, we expect our Medical Imaging business to grow ahead of the market. We see new product introductions in CT and MRI and the continued mammography penetration driving growth. Motion control is expected to be impacted by a softening in the semiconductor market.

Our Ultrasound sales should continue to outperform the market. Our expanded sales coverage is coming up to quota and further expansion is in progress. We're pretty excited about our Flex Focus product line expansion including the new ART System designed specifically for Robotic-Assisted Surgery.

Third, Security looks steady in the year and is positioned for long-term growth. We see a transition to product revenues as we near completion of new projects. We see incremental U.S. demand for reduced size and medium speed and outside the U.S. demand developing for the high-speed segment.

It's good to see the structural changes we made are starting to pay off. Operating leverage from the consolidations will improve gross margins and operating margins throughout the year. Overall we expect mid- to upper-single digit revenue growth. And finally, we maintain our 10% non-GAAP operating margin outlook.

Thank you and now we'll open up the line for questions.

**QUESTION AND ANSWER SECTION**

Operator: Thank you very much. [Operator Instructions] First up is Dalton Chandler with Needham & Company. Please go ahead.

**<Q – Dalton Chandler – Needham & Co. LLC>:** Hey. Just a couple of sort of housekeeping things here. The tax rate in the quarter was a little higher than I had expected. Is that going to be the rate going forward?

**<A – Michael Levitz – Analogic Corp.>:** Hi, Dalton, this is Mike. We typically in the first quarter tend to have a higher tax rate. That is higher than what we expect for the fiscal year. I would expect that our rates will generally be in line with what we've seen in the past, depending upon discrete items.

**<Q – Dalton Chandler – Needham & Co. LLC>:** Okay. So that would be sort of in the 28% to 30% range?

**<A – Michael Levitz – Analogic Corp.>:** That's in line with what we've had in the past, yes.

**<Q – Dalton Chandler – Needham & Co. LLC>:** Okay.

**<A – Michael Levitz – Analogic Corp.>:** So I think we had between 26%, 28% depending upon the year. Yeah.

**<Q – Dalton Chandler – Needham & Co. LLC>:** Okay. And then, you talked before about ramping up R&D, especially as you focus more on your own development projects and less on development for third parties, but the R&D spend actually went down a couple of million dollars in the quarter. Could you just talk about what's in the R&D pipeline and what that number might look like going forward?

**<A – James Green – Analogic Corp.>:** Yeah. Hi, Dalton. This is Jim. Our R&D line, we've been spending pretty heavy all along. When you see the number fluctuating some, it's typically more a result of the customer funded portion either coming in or out. And that is often based on where we are in a project and in terms of the delivery timeframe and such.

So I don't see us as a percent of revenue spending more, in fact, you've seen and I have said in the past that we would be expecting to leverage better what we're spending our R&D on and moving more toward that kind of 11% of revenue is the target that we're shooting for. But I don't see a ramp up. I just see a better utilization of what we've been spending as far as, as you look back and as we look forward.

**<A – Michael Levitz – Analogic Corp.>:** And one thing I would add to that is, we had restructurings last year which we're focused on improving our operational efficiency across the board. And that impacted us across the company. And so we are getting some savings from all of those different changes as we try and really simplify our business structure and better utilize our resources.

**<Q – Dalton Chandler – Needham & Co. LLC>:** Okay. Thanks a lot.

**<A – Michael Levitz – Analogic Corp.>:** Thanks, Dalton.

Operator: [Operator Instructions] Next is Larry Solow with CJS Securities. Go ahead please.

**<Q – Larry Solow – CJS Securities, Inc.>:** Hi. Good evening.

<A – Michael Levitz – Analogic Corp.>: Hi, Larry.

<Q – Larry Solow – CJS Securities, Inc.>: Just a couple of quickies. How's it going? Couple of real quick ones. So just to confirm, the point, I guess \$400,000 on the Ultrasound business related to the inquiry are basically the people you let go after that and then \$900,000 sort of for transition expenses. I mean, it's sort of one-time in nature, but do you include them in your non-GAAP numbers. Is that right?

<A – Michael Levitz – Analogic Corp.>: Let me clarify. There was \$1.4 million related to the BK matter.

<Q – Larry Solow – CJS Securities, Inc.>: Right.

<A – Michael Levitz – Analogic Corp.>: We excluded \$1 million of those from non-GAAP.

<Q – Larry Solow – CJS Securities, Inc.>: Right.

<A – Michael Levitz – Analogic Corp.>: But we did include the \$400,000 in non-GAAP.

<Q – Larry Solow – CJS Securities, Inc.>: Right.

<A – Michael Levitz – Analogic Corp.>: So I think your question was we had \$400,000 of severance related and we had \$900,000 of others that did impact our non-GAAP results. And that's what I was saying that we do not believe these are recurring in nature.

<Q – Larry Solow – CJS Securities, Inc.>: Yeah. Those are really true. I mean, I think a lot of companies would probably even call severance sort of one-time, but that's fine. I mean, you are being more conservative that's fine that way. And are those couple of items, is that one of the reasons [indiscernible] (19:50) I know you mentioned that there was some inefficiency in the manufacturing, but so you haven't – really haven't seen much improvement in gross margin. Is that because this quarter, I thought eventually you would start seeing some improvement as you consolidated the facilities?

<A – Michael Levitz – Analogic Corp.>: Sure. So gross margin was impacted by some yield issues that we had, we've been addressing in Mammography. And, yes, you're right. Some of those cleanup-type items definitely did impact our gross margin. And the other thing that I would mention is that, we said that we had completed the transition from our Denmark facility or the majority of it at the end of the year. And so as you look at – those things get capitalized and they get brought into earnings over turns and so you don't start to realize those savings necessarily right away. And so we expect those savings to be coming and going forward.

<Q – Larry Solow – CJS Securities, Inc.>: Okay. I think you'd said \$6 million on an annualized basis but maybe not \$6 million per se in the first 12 months. Is that fair to say?

<A – Michael Levitz – Analogic Corp.>: Yeah, that's fair.

<Q – Larry Solow – CJS Securities, Inc.>: In terms of expenses you recorded a number of \$6 million in annual savings. Perhaps you think that's – you're still on line to sort of reach that, obviously you didn't reach it this quarter?

<A – Michael Levitz – Analogic Corp.>: That's correct.

<Q – Larry Solow – CJS Securities, Inc.>: Okay. In terms of Security, I think you are kind of calling for a flat year so essentially – I know you haven't really given guidance on segment-by-

segment, but is it fair to say that you are looking on a apples-to-apples basis all-in revenue including engineering and product sales to be in the neighborhood of flat year-over-year?

<A – James Green – Analogic Corp.>: Yeah. That's right, Larry. Larry, this is Jim. And the only real difference that we are seeing and would expect to see is, you start to see the mix change more toward product revenues where last year and the year before we had quite a bit of engineering revenues there. And as those projects are completing, it's important to see the underlying change in the product revenues as the products start to ship and ramp up, but in net-net in the year we are expecting to be roughly flat.

<Q – Larry Solow – CJS Securities, Inc.>: Okay. And is the product revenue less margin than some of the R&D [ph] collaborate to have (22:12) better margin? What's better margin?

<A – James Green – Analogic Corp.>: Over the last couple of years, they have both been good.

<Q – Larry Solow – CJS Securities, Inc.>: Okay.

<A – James Green – Analogic Corp.>: But certainly, our margins on the product shipments are very good.

<Q – Larry Solow – CJS Securities, Inc.>: Okay. And just remind me, the Motion Control piece on the Imaging side, is that a big piece of your business that's being impacted by the slowdown in semi-cap?

<A – James Green – Analogic Corp.>: It's not one of the bigger pieces of our business. The primary parts of our business are really CT, MR, and Mammography within that segment. There are other things that are in there and we know that semiconductor industry, which impacts our Motion business is cyclical, but it does have an impact. It's not a dramatic mover, but it does have an impact.

<Q – Larry Solow – CJS Securities, Inc.>: Just last question. Just touching back on the yield issue in Mammography, can you just give anymore color on that? And do you think that that's sort of – is that still ongoing or is it something you think you are on the way to resolving or?

<A – James Green – Analogic Corp.>: It's something every now and then we'll struggle with a lot of incoming material that we find out little late in the game, has some defects in it and we don't get the kind of yield we expect. We're confident that we've corrected those issues, but now and then we're going to see some of that, but at this point, we're sure that we expect to see improvement as we go out throughout the rest of the year.

<Q – Larry Solow – CJS Securities, Inc.>: Got you. Okay, great. Thanks.

<A – James Green – Analogic Corp.>: Thanks, Larry.

Operator: [Operator Instructions]

<A – James Green – Analogic Corp.>: Okay. Well, if that's it. It sounds like we must have answered everybody's questions. So thank you very much and in closing let me just invite you to join us...

Operator: We do have one last question that just came in queue.

<A – James Green – Analogic Corp.>: Okay, sorry.

Operator: That is from Josephine Millward with Benchmark. Please go ahead.



<Q – Josephine Millward – The Benchmark Co. LLC>: Good afternoon.

<A – James Green – Analogic Corp.>: Hi, Josephine.

<Q – Josephine Millward – The Benchmark Co. LLC>: Hey, Jim. Congratulations on the L-3 order.

<A – James Green – Analogic Corp.>: Thank you. And, thank you.

<Q – Josephine Millward – The Benchmark Co. LLC>: Jim, did you say your Security backlog is \$47 million?

<A – Michael Levitz – Analogic Corp.>: Josephine, this is Mike. Yes, our systems backlog in Security is \$47 million.

<Q – Josephine Millward – The Benchmark Co. LLC>: Okay. That's really good. And I think you have expectations for incremental orders. Is there a reason why you are not more optimistic about Security for the year? I mean, is there a reason why you think it's going to be flat and no growth?

<A – Michael Levitz – Analogic Corp.>: Yeah. Well, the main reason, like I was telling Larry is, there is a mix change as we are starting to ramp up more product shipments over the last couple of years. You know that there was quite a bit of engineering revenue in there from customers funding some of these new products.

So, the key driver as you complete the product development is as you are shipping product. So, that's why you see a nice increase in the backlog and why you see going forward we're bullish on this business because of that. But in the year, because last year we had quite a bit of engineering funds, those start to ramp down and what ramps up replacing it and then increasing going forward from there is the actual product shipment revenues.

<Q – Josephine Millward – The Benchmark Co. LLC>: Can you give us a sense of how much engineering revenue was in Security last year?

<A – Michael Levitz – Analogic Corp.>: Yeah. I have that right here. Engineering revenues from Security last year was \$16.4 million.

<Q – Josephine Millward – The Benchmark Co. LLC>: But you – do you know if Reveal has also received a reduced size order or SAIC?

<A – Michael Levitz – Analogic Corp.>: I honestly don't know and I'm not quite sure that I could comment on it, if we did know.

<Q – Josephine Millward – The Benchmark Co. LLC>: Okay. And – but that's great news. This is big.

<A – Michael Levitz – Analogic Corp.>: Great. Thank you, Josephine.

<Q – Josephine Millward – The Benchmark Co. LLC>: So, congratulations. Can you give us an update on ultrasound for robotic surgery? Now, this is a very new and exciting area for Analogic. Can you talk about whether you expect – what kind of contribution are you anticipating this year from robotic surgery?

<A – James Green – Analogic Corp.>: We are excited about it for a couple reasons. One is it's completely incremental in our business. It's a new segment for us. It's a great fit for us. It is just

starting. So, we haven't really gone out and said here is what we expect it to contribute. We do know that there are something like 2,000 robots already installed around the world. We do know that the robots, the procedure rates have been growing at around 35% CAGR and the installations of new robots has been somewhere around 20% CAGR.

So, being attached to an opportunity like that or having that kind of opportunity where we could effectively get our product pulled into the sockets and also added with some percentage of the new ones does present a great deal of opportunity for us. It's just – it will be – it's difficult to quantify at this point I think because we are so early in the cycle. I can just tell you that where we are starting to place it, we're getting a lot of really good positive feedback.

**<Q – Josephine Millward – The Benchmark Co. LLC>:** That's great. Just a follow-up on Ultrasound. It grew very nicely this quarter. Do you think you can keep up the double-digit growth rate in the coming year and are you seeing any signs of slowdown from Europe?

**<A – James Green – Analogic Corp.>:** To answer your first question, we do think we expect to see, continue to see solid double-digit revenue growth in our Ultrasound segment. There has been as most people have seen, most multinationals, some slowing down in Southern Europe. So, you look to places like Greece and Italy and maybe Spain, there we have some concern. For us, it's not a place where we really sell much of anything. So, it's not so much a big concern as a loss, it's just a bit of a concern as maybe a lost opportunity. But, in general, with the new technology, the new products, the expanding sales force in the U.S., the strong adoption in Germany and other parts of the world, we're really excited about this technology and this product line.

**<Q – Josephine Millward – The Benchmark Co. LLC>:** Great. Thank you, Jim.

**<A – James Green – Analogic Corp.>:** Thank you, Josephine.

Operator: Our final question today will be from Jiwon Lee from Sidoti & Company. Go ahead, please.

**<Q – Jiwon Lee – Sidoti & Co. LLC>:** Thanks and good afternoon. I think I pressed the wrong button for getting on the Q&A queue, but just a couple of quick questions, please. Jim, you just announced another share buyback program, but I wonder how much acquisition remains a priority, and where do you see some opportunities?

**<A – James Green – Analogic Corp.>:** Well, certainly acquisition – for the right kind of acquisition, it's a priority. But as you know, we're pretty particular about something like this. We see good solid operating cash flows. We have a great balance sheet. We have debt available to us. So, we're real comfortable with also having a buyback in place. If something comes along that does fit and is kind of things that we're looking at, we don't think that we'll have any issue as far as the funding for the type and the size of acquisition that we'd be interested in.

**<Q – Jiwon Lee – Sidoti & Co. LLC>:** Okay. And for Mike, is there a fiscal 2012 CapEx goal, some ranges that you can give out?

**<A – Michael Levitz – Analogic Corp.>:** What we've said in the past is we try and be in line with depreciation, amortization as kind of a rule of thumb. We have increased our CapEx as we finish the completion of our Shanghai facility. So, I expect our depreciation, amortization has been around \$19 million. So, I expect the CapEx would probably be a few million above that.

**<Q – Jiwon Lee – Sidoti & Co. LLC>:** Okay. Well, that's helpful. Thank you.

**<A – Michael Levitz – Analogic Corp.>:** Thank you.

<A – James Green – Analogic Corp.>: Last question.

Operator: And, gentlemen, that was our last question. I'll now turn the call back to Mr. Green for closing comments.

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**James W. Green, President, Chief Executive Officer & Director**

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Thank you. Thank you, everyone, for joining us this evening. We invite you to join us on January 23 here at our facility for our Annual Shareholders Meeting and also to call back in in March when we go through our second quarter fiscal 2012. Thank you again, and have a good evening.

Operator: Thank you very much. For listeners who have may come in late, this call has been recorded. You may access the telephone replay by dialing 1-866-551-4520 or for international callers 1-212-401-6750 and entering the playback reference 277298 followed by the pound sign. The telephone replay will be available at that number beginning two hours from now and running through midnight Eastern Time, Monday, January 9, 2012. The webcast replay will be available on the Investor Relations' page of our website at [www.analogic.com](http://www.analogic.com) beginning about three hours from now and will be available through Monday, January 9, 2012.

Thank you for joining Analogic Corporation's first quarter investor conference call. You may now disconnect.

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