

**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): **May 17, 2010**

**Merit Medical Systems, Inc.**

(Exact name of registrant as specified in its charter)

**Utah**

(State or other jurisdiction of  
incorporation or organization)

**0-18592**

(Commission  
File Number)

**87-0447695**

(I.R.S. Employer  
Identification No.)

**1600 West Merit Parkway**

**South Jordan, Utah**

(Address of principal executive offices)

**84095**

(Zip Code)

**(801) 253-1600**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report)

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))

**Item 7.01 Regulation FD Disclosure.**

Merit Medical Systems, Inc. ("Merit Medical") intends for its management to use the slide presentation attached to this Current Report in connection with meetings and communications with investors, analysts, and other members of the financial and investment community. Please refer to Current Report filed by Merit Medical on May 13, 2010 for important information relating to the proposed acquisition, including information concerning forward-looking statements and factors that may affect future results.

The information set forth in the slide presentation is summary information that is intended to be considered in the context of Merit Medical filings with the Securities and Exchange Commission and other public announcements that Merit Medical may make, from time to time, by press release or otherwise. Merit Medical undertakes no duty or obligation to publicly update the information contained in this report, although it may do so from time to time as it determines or believes is necessary. Any updates may be made through the filing of other reports with the Securities and Exchange Commission, through press releases, or by other public disclosures.

The information contained in this Current Report and in the attached Exhibit 99.1 contains forward-looking statements made within the meaning of and pursuant to the safe harbor of the Private Securities Litigation Reform Act of 1995, regarding, among other things, the proposed business combination between Merit Medical and BioSphere, Merit Medical's and BioSphere's financial position, results of operations, product development and business strategy, as well as estimates of Merit Medical's future financial position, operating and financial performance, earnings per share, cost savings and projected synergies. Statements including words such as "believes," "expects," "anticipates," "intends," "estimates," "plans," "will," "may," "intend" or similar expressions are forward-looking statements. Because these statements reflect Merit Medical's current views, expectations and beliefs concerning future events, these forward-looking statements involve risks and uncertainties. Readers should note that many factors could affect the proposed combination of the companies, as well as future financial results, and could cause actual results to vary materially from those expressed in forward-looking statements set forth in this release. These factors include, but are not limited to, the risk that the proposed transaction will not close; the risk that, if the proposed transaction does close, the operations of the two companies will not be integrated successfully; Merit Medical's ability to successfully develop, commercialize and market new products acquired through the proposed transaction (or products developed through the use of intellectual property acquired through the transaction); Merit Medical's ability to obtain regulatory approvals necessary to complete the proposed BioSphere transaction and pursue its intended business strategy; healthcare policy changes which may have a material adverse effect on Merit Medical's business plan, operations or financial results; infringement of Merit

Medical's technology or the assertion that Merit Medical's technology infringes the rights of other parties; national economic and industry changes and their effect on Merit Medical's revenues, collections and supplier relations; termination or interruptions of supplier relationships, or the failure of suppliers to perform; product recalls and product liability claims involving existing or future products; inability to successfully manage growth, whether through acquisitions or otherwise; delays in obtaining regulatory approvals, or the failure to maintain such approvals; failure to comply with governing regulations and laws; concentration of Merit Medical's revenues among a few products and procedures; development of new products and technology that could render Merit Medical's products obsolete; market acceptance of new products; introduction of products in a timely fashion; price and product competition; availability of labor and materials; costs increases; fluctuations in and obsolescence of inventory; volatility of the market price of Merit Medical's common stock; foreign currency fluctuations; changes in key personnel; work stoppage or transportation risks; modification or limitation of governmental or private insurance reimbursements; changes in health care markets related to health care reform initiatives; limits on reimbursement imposed by governmental programs; impact of force majeure events on Merit Medical's business, including severe weather conditions; failure to comply with applicable environmental laws; and other factors referred to in Merit Medical's periodic reports filed with the Securities and Exchange Commission, including Merit Medical's Annual Report on Form 10-K for the year ended December 31, 2009. All subsequent forward-looking statements attributable to Merit Medical or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Actual results will differ, and may differ materially, from anticipated results. Financial estimates and projections are subject to change and are not intended to be relied upon as predictions of future operating or financial results or financial position, and Merit Medical assumes no obligation to update or disclose revisions to those estimates and projections.

The information contained in this Current Report and in the attached Exhibit 99.1 is being furnished and shall not be deemed "filed" for purposes of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are not deemed incorporated by reference by any general statements incorporating by reference this Current Report or future filings into any filings under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that Merit Medical specifically incorporates the information by reference. By filing this Current Report and furnishing this information, Merit Medical makes no admission or statement as to the materiality of any information in this Current Report that is required to be disclosed solely by reason of Regulation FD.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Slide presentation of Merit Medical Systems, Inc., dated May 2010, entitled "Acquisition of BioSphere Medical"

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**SIGNATURE**

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

**MERIT MEDICAL SYSTEMS, INC.**

Date: May 17, 2010

By: /s/ Kent W. Stanger  
Chief Financial Officer, Secretary and Treasurer

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**EXHIBIT INDEX**

| <b>EXHIBIT NUMBER</b> | <b>DESCRIPTION</b>   |
|-----------------------|--|
| 99.1                  | Slide presentation of Merit Medical Systems, Inc., dated May 2010, entitled "Acquisition of BioSphere Medical" |

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# Acquisition of BioSphere Medical

NASDAQ: MMSI

May 2010



# Forward Looking Statements

Statements contained in this release which are not purely historical, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties such as those described in Merit's Annual Report on Form 10-K for the year ended December 31, 2009. Such risks and uncertainties include risks relating to: healthcare policy changes which may have a material adverse effect on Merit's operations or financial results; infringement of Merit's technology or the assertion that Merit's technology infringes the rights of other parties; national economic and industry changes and their effect on Merit's revenues, collections and supplier relations; termination or interruptions of supplier relationships, or failure of suppliers to perform; product recalls and product liability claims; inability to successfully manage growth, through acquisitions; delays in obtaining regulatory approvals, or the failure to maintain such approvals; failure to comply with governing regulations and laws; concentration of Merit's revenues among a few products and procedures; development of new products and technology that could render Merit's products obsolete; market acceptance of new products; introduction of products in a timely fashion; price and product competition; availability of labor and materials; cost increases; fluctuations in and obsolescence of inventory; volatility of the market price of Merit's common stock; foreign currency fluctuations; changes in key personnel; work stoppage or transportation risks; modification or limitation of governmental or private insurance reimbursements; changes in health care markets related to health care reform initiatives; limits on reimbursement imposed by governmental programs; impact of force majeure events on Merit's business, including severe weather conditions; failure to comply with applicable environmental laws; and other factors referred to in Merit's Annual Report on Form 10-K for the year ended December 31, 2009, and other reports filed with the Securities and Exchange Commission. All subsequent forward-looking statements attributable to Merit or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Actual results will differ, and may differ materially, from anticipated results. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results, and Merit assumes no obligation to update or disclose revisions to those estimates.

## Merit Medical Focus

- Merit designs, manufactures and markets single-use products for use in:
  - Interventional Radiology
  - Interventional Cardiology
  - Gastroenterology
  - Stand-alone Imaging Centers



# Merit Medical Highlights

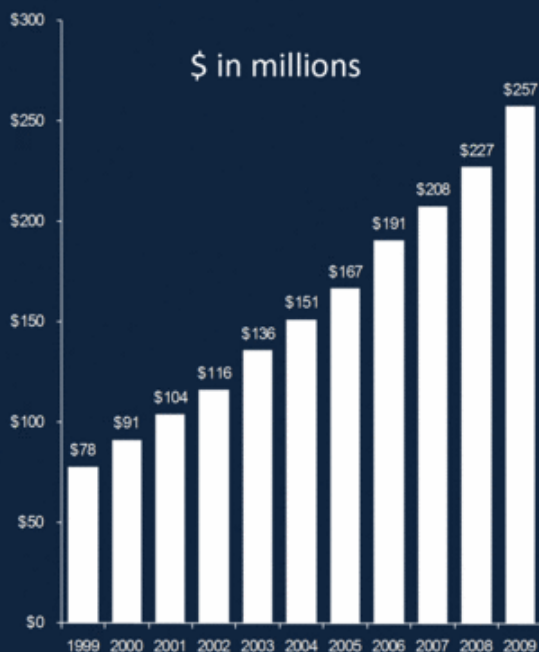
- Broad and Diversified Product Offering
- History of Internal Product Development
- Expansive Patent Portfolio
- Global Footprint
- Highly Trained Direct Sales Force in Key Markets
- Manufacturing and Regulatory Excellence
- Market Driven Innovation
- Experienced Management
- Track Record of Growth and Profitability

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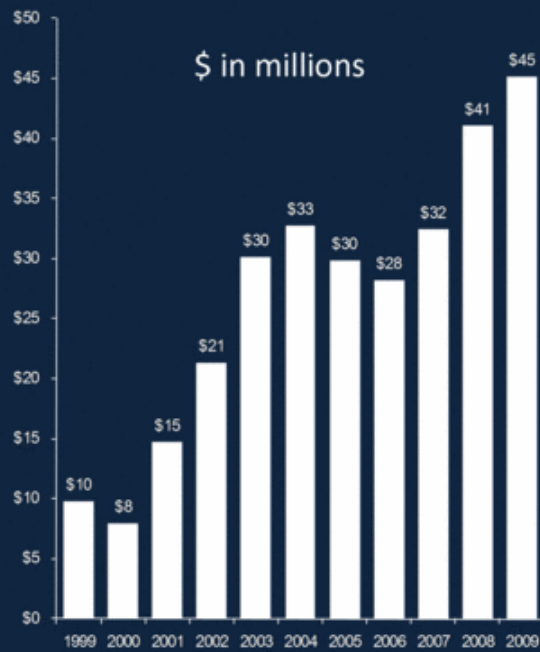


## Proven Business Model

Revenue



EBITDA



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# Track Record of Other Successful Acquisitions





## Track Record of Other Successful Acquisitions

- 06/02/2009: Hatch Medical LLC, EnSnare® Assets
- 02/19/2009: Biosearch Medical, Two Products
- 02/18/2009: Alveolus, Inc.
- 11/02/2007: Vascon, Catheter Assets
- 02/27/2007: Datascope, ProGuide Products
- 04/10/2006: Hypoguard USA, Scalpel Business
- 03/31/2006: Millimed, Hemostasis Device Business
- 01/03/2006: MCTec B.V.
- 10/26/2004: MedSource Packaging Concepts LLC
- 03/31/2000: Electro-Catheter Corp, All Assets
- 07/21/1999: Mallinckrodt Inc., Catheter Unit

## Merit Medical Strategic Objectives

- Increase addressable market opportunity
- Expand offering to targeted call points
- Advancing technology base
- Leverage global sales channels
- Create product pull-through
- Increase margins
- Maximize profitability and cash flow
- Participate in emerging procedural opportunities

## BioSphere – Strong Strategic Fit

**Increase Addressable Market**

**Expand Offering to Targeted Call Point**

**Leverage Sales Channels**

**Create Product Pull-Through**

**Increase Margins**

**Maximize Profitability and Cash Flow**

- Adds approximately \$1 billion of addressable market potential in women's health and interventional oncology
- Embolotherapy procedures are predominantly administered by Interventional Radiologists – Merit's primary call point
- Utilize Merit's global sales channels to expand market penetration
- Embolotherapy procedures utilize numerous other Merit products such as guide wires, catheters, stopcocks, syringes, kits and packs
- BioSphere's products will drive higher consolidated margins
- Elimination of redundancies and utilization of BioSphere's NOL will drive increased profits and cash flow over time

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## Terms of Acquisition Agreement

- All cash transaction
  - \$4.38 per share of BioSphere Medical
    - Equity Value: \$96 million
    - Enterprise Value: \$86 million
  - NOL of \$77 million
- Transaction is scheduled to close in Q3 2010, subject to shareholder approval and other customary closing conditions
- Transaction expected to be EPS accretive for CY 2011
- Revenue and operating expense synergies expected

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# Cost Synergies

- Executive Staff
  - Sales and Marketing
  - Accounting
  - Public Company Costs
  - Customer Service
  - Headquarters
  - Human Resources
  - Information Systems
  - Consultants
  - Travel Allowance
  - Logistics
  - Trade Shows
- } \$15 m

|                            |                |
|----------------------------|----------------|
| PMA Clinical Trial Expense | <u>(\$3 m)</u> |
| Net Cost synergies         | \$12 m         |

# BioSphere Medical Company Overview

## • Company

- Leader in Embolotherapy for UFE
- Founded 1993
- Headquarters: Rockland, MA
- Manufacturing: Roissy, France
- 88 global employees

## • Product Portfolio

- EmboSphere Microspheres
- HepaSphere/QuadraSphere
- HepaSphere + Doxorubicin
- Pioneer in drug-eluting embolics

## • Markets

- Platform technology applicable to multiple therapeutic areas with compelling market sizes
- UFE market est. \$650M
- Liver cancer opportunity est. \$380M
- BPH opportunity est. \$110M (US)

## • Distribution

- 21 sales territories in the U.S.
- 2 sales territories in France
- Nippon Kayaku (Japan)
- Distributors in R.O.W.



# Platform Technology

Embolics Are a Platform Technology

### EmboSphere

- First embolic cleared by FDA for UFE
- Most clinically studied spherical embolic
- Calibrated sphere / targeted delivery
- Polymer charge may promote cell adhesion

### HepaSphere/QuadraSphere

- Drug delivery platform
- Highly compressible
- Conformable
- Bonds ionically with Doxorubicin

Compelling Benefits to Patients, Physicians, Hospitals, and Payers

#### Uterine Fibroids

(Interventional Gynecology)  
\$650 Million Global Market

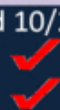
- US
- EU
- Brazil
- China
- ROW



#### Primary Liver Cancer

(Interventional Oncology)  
\$380 Million Global Market

- US: IDE Submitted 10/2009
- EU
- Russia



#### Benign Prostatic Hyperplasia

(Interventional Urology)  
\$110 Million US Market

- Growth Opportunity



# Merit Sales Channel Leverage



Extensive Leverage via Merit's Global Sales and Distribution Channels

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## Growth Opportunity: Interventional Oncology

- 600k annual new cases of liver cancer (HCC) globally
- Growing international adoption of embolotherapy
  - Shipments to China commenced Q1 2008
- Drug-eluting embolization a highly targeted, minimally invasive treatment alternative
  - HepaSphere CE Marked for delivery of doxorubicin
  - US IDE filed in October 2009 for QuadraSphere

Drug-Eluting Embolics for Primary Liver Cancer - \$380 Million Opportunity

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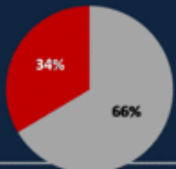
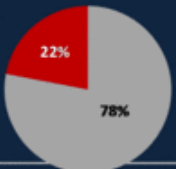
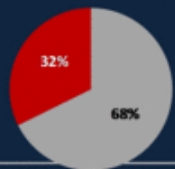
## Growth Opportunity: Interventional Urology

- Benign Prostatic Hyperplasia (BPH) expands addressable market opportunity
- 8.4 million “watchfully waiting” patients in the United States
- EmboSphere has demonstrated clinical efficacy
- U.S. IDE study contemplated

Embolotherapy for BPH - \$110 Million Opportunity in the U.S. Alone



# Pro Forma Company Snapshot

|   | Merit Medical  | BioSphere Medical  | Pro Forma  |
|---|--|--|--|
| <b>Revenues (2009 A)</b>  |  |  |  |
| <ul style="list-style-type: none"> <li>US</li> <li>International</li> </ul> |   |    |   |
| <b>Gross Margin (2009 A)</b>  | • 42%  | • 76%  | • 44%*   |
| <b>2009 Growth rate</b>   | • 13%  | • 7%   | • 13%  |
| <b>Distribution</b>   | <ul style="list-style-type: none"> <li>• 96 Direct Reps (US)</li> <li>• 30 Direct Reps (OUS)</li> <li>• 174 dealer organizations</li> <li>• Global OEM division</li> </ul> | <ul style="list-style-type: none"> <li>• 21 Reps (US)</li> <li>• 2 Reps (France)</li> <li>• Nippon Kayaku (Japan)</li> <li>• Distributors (OUS)</li> </ul> | <ul style="list-style-type: none"> <li>• 100 Reps (US)</li> <li>• 32 Reps (OUS)</li> <li>• 174 Dealer Organizations</li> <li>• Nippon Kayaku (Japan)</li> <li>• Global OEM division</li> </ul> |
| <b>Recent Product Launches</b>  | <ul style="list-style-type: none"> <li>• EnSnare®, Laureate™, Impress™, Finale™, Maestro™, Blue Diamond™, OneStep VOS™, Miser 2™, Grandstand™</li> </ul>                   | <ul style="list-style-type: none"> <li>• 1 new approval</li> </ul>   |  |
| <b>Addressable Market</b>   | • \$5.5 Billion  | • \$1.1 Billion  | • \$6.6 Billion  |

\* Reflects amortization of purchased intangibles

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# Significant Financial Opportunities

## Near-Term Cost Synergies

- Consolidate U.S. headquarters
- Rationalize SG&A
- Purchasing contracts/supply chain management

## Revenue Synergies

- Integrate BioSphere products with Merit Medical products into global markets
- Accelerate embolic product adoption OUS
- Drive BioSphere Medical product sales in US

## Longer-Term Opportunities

- Leverage technology for future product lines
- Launch of QuadraSphere with Doxorubicin in U.S.

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# Financial Guidance

|                  | Merit Alone<br>2010 | Deal Costs<br>2010  | Biosphere's<br>2011 Impact*  |
|------------------|---------------------|---|--|
| Revenue          | \$283-291 m         | Deal Costs \$3.3 m<br>Severance \$5.0 m<br><u>Inventory mark-up \$2.0 m</u><br>Total \$10.3 m | \$28.3 m   |
| EPS              | \$0.85-\$0.89       |   | \$0.04-\$0.05<br>(additional \$0.07 non-cash<br>amortization of intangibles) |
| EBIDA            | \$51m               |   | \$8m   |
| NOL Cash Benefit |                     |   | \$1.3m   |

\* First full year of operation

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# Pro Forma Balance Sheet

(\$ in thousands)

December 2010

## Assets

Cash & Equivalents \$12,000

**Total Assets** \$385,000

## Liabilities

Debt\* \$92,000

Total Liabilities  
\$149,000

**Total Liabilities & Equity** \$385,000

\* Reflects \$32 million unused credit facility balance 20



# CEO Perspective

- Complementary Strategic Fit
  - Leverages call points to drive product leverage
  - Merit's sales channels expand market penetration
  - New products drive higher consolidated margins
  - No gaps in manufacturing and R&D excellence
  - A fair value acquisition with extensive diligence by Merit
- Significant Revenue and Cost Synergies
  - Sales force leverage and global cross-selling opportunities
  - Elimination of redundant US operations
  - Significant cost synergies across SG&A and manufacturing

