

ANALOGIC CORP
Form DEF 14A
November 28, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive proxy statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Analogic Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

Edgar Filing: ANALOGIC CORP - Form DEF 14A

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Analogic Corporation

Notice of Annual Meeting of Stockholders of

Analogic Corporation to be held on January 26, 2009

The Annual Meeting of Stockholders of Analogic Corporation will be held at our headquarters, located at 8 Centennial Drive, Peabody, Massachusetts 01960, on Monday, January 26, 2009 at 11:00 a.m. (Eastern time) for the following purposes:

- (1) To elect two (2) Class II directors for a one-year term, to hold office until the 2010 Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified.
- (2) To consider and act upon amendments to our Articles of Organization and By-laws to implement majority voting in connection with the election of directors.
- (3) To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending July 31, 2009.
- (4) To act upon any and all matters incidental to any of the foregoing and transact such other business as may legally come before the meeting or any adjourned session or sessions thereof.

Our board of directors has fixed the close of business on November 27, 2008 as the record date for determining the stockholders having the right to notice of and to vote at the meeting.

JOHN J. FRY

Secretary

November 28, 2008

**IF YOU ARE ENTITLED TO VOTE AT THE MEETING,
KINDLY EXECUTE AND MAIL THE ENCLOSED PROXY**

Analogic Corporation

8 Centennial Drive

Peabody, Massachusetts 01960

PROXY STATEMENT

For the Annual Meeting of Stockholders

to be held on January 26, 2009

This proxy statement is furnished on behalf of the board of directors (which we refer to as our board) of Analogic Corporation (which we refer to as we, us, or Analogic) in connection with the solicitation of proxies for use at our annual meeting of stockholders (which we refer to as the meeting) to be held on Monday, January 26, 2009 at 11:00 a.m. (Eastern time) at our headquarters, and is being mailed, together with the form of proxy solicited, on or about December 4, 2008, to each of our stockholders of record as of the close of business on November 27, 2008. You may obtain directions to the location of the meeting by contacting our Investor Relations Department at 978-326-4213 or at the About Analogic link on our website, which is located at www.analogic.com.

The enclosed proxy, if executed and returned, will be voted by the persons named in the proxy as directed in the proxy and, in the absence of such direction, for the election of the two nominees as directors, for approval of the amendments to our Articles of Organization and By-laws in connection with majority voting for directors, and in accordance with their best judgment as to any other matters which are properly brought before the meeting.

Any stockholder giving a proxy in the enclosed form retains the power to revoke it at any time prior to the exercise of the powers conferred thereby. Such revocation may be effected by any means which are sufficient to revoke a power of attorney, including the giving of written notice of revocation to us at the above address or to our transfer agent, or the execution and delivery to us or our transfer agent of a subsequent proxy. Attendance of the stockholder at the meeting in person will not, however, be deemed to revoke the proxy unless the stockholder affirmatively indicates his/her intention to vote the shares in person by so advising the presiding officer or the Secretary at the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on January 26, 2009

This proxy statement and our 2008 Annual Report to Stockholders for the fiscal year ended July 31, 2008 are available at www.proxyvote.com.

To request a printed copy of the proxy statement, annual report and form of proxy relating to our future shareholder meetings, visit www.proxyvote.com, telephone: 1-800-579-1639, or send an email to sendmaterial@proxyvote.com.

Quorum and Vote Required

The holders of record of shares of our common stock, \$.05 par value (which we refer to as common stock), at the close of business on November 27, 2008, may vote at the meeting. On November 27, 2008, there were issued and outstanding 13,239,703 shares of common stock. Each share of common stock is entitled to one vote on each of the matters considered at the meeting.

The holders of a majority of the shares of common stock issued and outstanding at the close of business on November 27, 2008, shall constitute a quorum for the transaction of business at the meeting. Shares of common stock represented in person or by proxy (including shares that abstain or do not vote with respect to one or more of the matters presented for stockholder approval) will be counted for purposes of determining whether a quorum is present at the meeting.

The affirmative vote of the holders of a plurality of the votes cast by the holders of common stock is required for the election of directors. The affirmative vote of the holders of at least two-thirds of the outstanding shares of common stock is required for approval of the majority voting proposal. The affirmative vote of the holders of a majority of the shares of common stock voting on the matter is required for ratification of the appointment of our independent registered public accounting firm. Shares that abstain from voting as to a particular matter and shares held in street name by a broker or nominee that indicates on a proxy that it does not have discretionary authority to vote as to a particular matter will not be considered to have voted with respect to the respective matter. Accordingly, abstentions and broker non-votes will have no effect on the voting for the election of directors or the ratification of the appointment of our independent registered accounting firm, but will have the same effect on the majority voting proposal as a vote against that proposal.

PROPOSAL 1**ELECTION OF DIRECTORS**

Currently, our board is comprised of 10 members, consisting of three Class I directors, whose terms will expire at the 2011 meeting of stockholders (the 2011 annual meeting); three Class II directors, whose terms will expire at the meeting; and four Class III directors, whose terms will expire at the annual meeting of stockholders to be held in January 2010 (the 2010 annual meeting). Our Articles of Organization and By-laws provide for a transition of our board from a classified board into a declassified board, so that ultimately all directors will be elected annually for a one-year term. The declassification process is taking place as follows: at the meeting, the Class II directors will be elected for a one-year term; at the 2010 annual meeting, the Class II directors and the Class III directors will be elected for a one-year term; and at the 2011 annual meeting (and at each annual meeting thereafter), all directors will be elected for a one-year term.

As noted above, the terms of our three Class II directors, James J. Judge, Bruce W. Steinhauer, and Gerald L. Wilson, will expire at the meeting. Mr. Judge and Dr. Wilson have been nominated for re-election as Class II directors, to hold office until our 2010 annual meeting, and until their respective successors have been duly elected and qualified. Bruce W. Steinhauer was not nominated for re-election because he announced on September 22, 2008 that he would not stand for re-election as a member of the board at the meeting.

The persons named in the enclosed proxy will vote to elect as directors the two nominees named above, both of whom are presently directors of Analogic, unless and to the extent authority to vote for the election of one or both of the nominees is withheld by marking the proxy to that effect. In the event that either nominee should be unable to serve, discretionary authority is reserved for the named proxy holders to vote for a substitute, or to reduce the number of directors to be elected, or both. Management has no reason to believe that either of the nominees will be unwilling or unable to serve if elected.

The following table sets forth certain information with respect to each director and nominee for director, including the year in which the term of office of each director and nominee for director (if elected) expires. **Nominees for Class II director are indicated by an asterisk (*).**

Our board of directors recommends a vote FOR each of the nominees.

Name	Age	Principal Occupation or Employment	Director Since
If elected, term expires in 2010:			
James J. Judge* (1)(3)	52	Senior Vice President, Chief Financial Officer and Treasurer of NSTAR Corporation	2005
Bruce W. Steinhauer (1)(2)(3)	75	Professor of Medicine, University of Tennessee College of Medicine;, Former President and Chief Executive Officer of The Regional Medical Center at Memphis	1993
Gerald L. Wilson* (1)(2)(4)	69	Vice Chairman of the Board of Analogic Corporation; Former Dean, School of Engineering, and Professor, Massachusetts Institute of Technology	1980
Term expires in 2010:			
Bernard M. Gordon	81	Founder and Former Chairman of the Board, President and Chief Executive Officer of Analogic Corporation	1969
James W. Green	50	President and Chief Executive Officer of Analogic Corporation	2007
Fred B. Parks (2)(3)(4)	61	Former Chairman of the Board of Directors and Former Chief Executive Officer of Urologix, Inc.	2007

Edgar Filing: ANALOGIC CORP - Form DEF 14A

Name	Age	Principal Occupation or Employment	Director Since
Sophie V. Vandebroek (2)(4)	46	Vice President and Chief Technology Officer of Xerox Corporation and President of the Xerox Innovation Group	2008
Term expires in 2011:			
M. Ross Brown (4)	74	Retired Vice President of Analogic Corporation	1984
Michael T. Modic (2)(3)(4)	58	Chairman of the Neurological Institute at the Cleveland Clinic Foundation	2001
Edward F. Voboril (1)(3)	66	Chairman of the Board of Analogic Corporation; Former Chairman of the Board of Directors and Former Chief Executive Officer of Greatbatch, Inc.	1990

(1) Member of Audit Committee.

(2) Member of Compensation Committee.

(3) Member of Nominating and Corporate Governance Committee.

(4) Member of Technology Committee

M. Ross Brown retired from Analogic in November 1999. Mr. Brown joined us in August 1984 and was responsible for managing our manufacturing operations.

Bernard M. Gordon was our Chairman of the Board from 1969 to April 2004 and from November 8, 2006 through January 28, 2008, and was President from 1980 to 1995 and from October 2001 to April 2003. Mr. Gordon was our Executive Chairman from February 2002 to April 2004 and from November 2006 to May 2007, in which capacity he served as our Chairman of the Board and as our principal executive officer. Mr. Gordon served as our Advisor to the President from May 21, 2007 through July 31, 2007. Mr. Gordon was our Chief Executive Officer from 1973 to 2000 and from February 2002 to August 2003. Mr. Gordon is the Chairman of the Board of Trustees of the Lahey Clinic. Mr. Gordon has been the Executive Chairman and the Chairman of the Board of Directors of Neurologica Corp. since February 2005. From February 2004 to February 2005, he was that company's Chairman of the Board of Directors, and from February 2004 to April 2006, he was its Chief Executive Officer. Neurologica Corp. develops and manufactures imaging equipment for neurological scanning applications.

James W. Green joined us as President and Chief Executive Officer in May 2007. Mr. Green was previously Regional Vice President, California Division, of Quest Diagnostics Incorporated, a leading provider of diagnostic testing, information, and services, from April 2005 to May 2007. Before joining Quest Diagnostics Incorporated, Mr. Green was Senior Vice President & General Manager of Computed Tomography for Philips Medical Systems, a global leader in the business of developing, manufacturing, and marketing computed tomography equipment used in medical imaging applications, from October 2001 to April 2005.

James J. Judge has been the Senior Vice President, Chief Financial Officer, and Treasurer of NSTAR Corporation, a Massachusetts-based utility company, since 1999. Prior to that, he held a number of executive positions at BEC Energy/Boston Edison.

Dr. Michael T. Modic has been Chairman of the Neurological Institute at the Cleveland Clinic Foundation in Cleveland, Ohio since 2006. From 1989 to 2005, he was Chairman of the Division of Radiology at the Cleveland Clinic Foundation. He was a member of the Board of Governors of the Cleveland Clinic Foundation from 2000-2005. Since July 2005, Dr. Modic has been a Professor of Radiology, Cleveland Clinic Lerner College of Medicine at CWRU. From 1993 to 2004, Dr. Modic was a Professor of Radiology at The Ohio State University College of Medicine and Public Health.

Dr. Fred B. Parks served as Chairman of the Board and Chief Executive Officer of Urologix, Inc. from May 2003 to February 2008. From 1999 to 2003, prior to joining Urologix, Dr. Parks was Chief Executive Officer of Philips Medical Systems-Cleveland (Philips) and, prior to its acquisition by Philips, President and Chief Executive Officer of Marconi Medical Systems.

Dr. Bruce W. Steinhauer is a Professor of Medicine at the University of Tennessee College of Medicine. Dr. Steinhauer retired in November 2006 as President and Chief Executive Officer of The Regional Medical Center at Memphis, where he had served in those capacities since 1998.

Dr. Sophie V. Vandebroek has been Corporate Vice President and Chief Technology Officer of Xerox Corporation and President of the Xerox Innovation Group, since 2006. From 2002 until December 2005, Dr. Vandebroek was Chief Engineer of Xerox Corporation and Vice President of the Xerox Engineering Center. Xerox Corporation develops, markets, and finances a range of document equipment, software, solutions, and services. She is a Fellow of the Institute of Electrical and Electronics Engineers (IEEE), a trustee of Worcester Polytechnic Institute, and a member of the board of directors of the American Electronics Association.

Edward F. Voboril served as Chairman of the Board of Directors of Greatbatch, Inc. of Clarence, New York, from 1997 until January 31, 2008. He served as that company's President and Chief Executive Officer from 1990 to August 2006. Greatbatch, Inc. is a developer and manufacturer of power sources, wet tantalum capacitors, and precision engineered components and sub-assemblies used in implantable medical devices. Since July 2008, Mr. Voboril has served as a member of the Board of Directors of Iris International, Inc., a Chatsworth, California supplier of in vitro diagnostic products.

Dr. Gerald L. Wilson is the former Dean of the School of Engineering at the Massachusetts Institute of Technology (or MIT) and the Vannevar Bush Professor of Engineering at MIT. Dr. Wilson has served on MIT's faculty since 1965 and currently serves as a Professor of Electrical and Mechanical Engineering. He is a trustee of NSTAR Corporation, a Massachusetts-based utility company.

CORPORATE GOVERNANCE

The board has long believed that good corporate governance is important to ensure that we are managed for the long-term benefit of our stockholders. The board reviews its governance practices on an ongoing basis in light of the Sarbanes-Oxley Act of 2002, the rules and regulations of the United States Securities and Exchange Commission (or SEC), and the listing standards of the NASDAQ Stock Market (or NASDAQ). This section describes key corporate governance guidelines and practices that we have adopted. Complete copies of the corporate governance guidelines, committee charters, as most recently amended, and code of business conduct and ethics described below are posted on the Corporate Governance section of our website, which is located at www.analogic.com. Alternatively, you can request a copy of any of these documents by writing to Analogic Corporation, 8 Centennial Drive, Peabody, Massachusetts 01960, Attention: John J. Fry, Vice President, General Counsel, and Secretary.

Corporate Governance Guidelines

The board has adopted corporate governance guidelines to assist the board in the exercise of its duties and responsibilities, and to serve our best interests and those of our stockholders. The corporate governance guidelines provide a framework for the conduct of the board's business and specify, among other matters, that:

the principal responsibility of the directors is to oversee the management of Analogic;

a majority of the members of the board shall be independent directors;

the independent directors shall meet in executive session at least semi-annually to discuss, among other matters, the performance of our Chief Executive Officer;

directors have full and free access to our officers and employees and, as necessary, independent advisors;

the board and our management shall conduct a mandatory orientation program for new directors, and all directors are expected to be involved in continuing director education on an ongoing basis; and

the board's responsibilities include evaluating the overall effectiveness of the board and its committees.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers, and employees, including our principal executive officer, principal operating officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We intend to post on our website all disclosures that are required by law or NASDAQ's listing standards concerning any amendments to, or waivers of, any provision of our code of business conduct and ethics.

Board Committees

The board has established four standing committees—Audit, Compensation, Nominating and Corporate Governance, and Technology—each of which operates under a charter that has been approved by the board. A copy of each committee's charter is posted on the Corporate Governance section of our website, which is located at www.analogic.com.

The board has determined that all of the members of each of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee are independent as defined under NASDAQ rules applicable to us, including, in the case of all of the members of the Audit Committee, the independence requirements contemplated by Rule 10A-3 under the Securities Exchange Act of 1934, as amended (which we refer to as the Exchange Act).

Audit Committee

Our Audit Committee's responsibilities include:

appointing, overseeing the independence of, and setting the compensation of our independent registered public accounting firm;

overseeing our independent registered public accounting firm, including through the receipt and consideration of certain reports made by our independent registered public accounting firm;

reviewing and discussing with management and our independent registered public accounting firm our audited financial statements;

coordinating the board's oversight of our internal accounting controls for financial reporting, our disclosure controls and procedures, and our code of business conduct and ethics;

establishing procedures for the receipt, retention, and treatment of complaints and concerns regarding accounting or auditing matters;

meeting separately with our independent registered public accounting firm and with management; and

preparing the audit committee report required by SEC rules (which is included on page 34 of this proxy statement).

Our board has determined that Mr. Judge is an audit committee financial expert as defined in the SEC rules.

Edgar Filing: ANALOGIC CORP - Form DEF 14A

The current members of our Audit Committee are Mr. Judge, Chairman, Dr. Steinhauer, Mr. Voboril, and Dr. Wilson. Our Audit Committee met five times during the fiscal year ended July 31, 2008 (which we refer to as fiscal 2008).

Compensation Committee

Our Compensation Committee's responsibilities include:

annually reviewing and approving the compensation of our Chief Executive Officer;

reviewing and approving the compensation of our other executive officers;

reviewing and making recommendations to the board with respect to incentive-compensation plans and equity-based plans; and

reviewing and making recommendations to the board with respect to director compensation.

The current members of our Compensation Committee are Dr. Modic, Dr. Parks, Chairman, Dr. Steinhauer, Dr. Vandebroek, and Dr. Wilson. Our Compensation Committee met eleven times during fiscal 2008.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee's responsibilities include:

identifying individuals qualified to become members of the board;

recommending to the board the persons to be nominated for election as directors and for election to each of the board's committees;

developing and recommending to the board a set of corporate governance guidelines.

The current members of our Nominating and Corporate Governance Committee are Mr. Judge, Dr. Modic, Dr. Parks, Dr. Steinhauer, Chairman, and Mr. Voboril. Our Nominating and Corporate Governance Committee met eight times during fiscal 2008.

Technology Committee

Our Technology Committee's purpose is to assist the board in its oversight of Analogic's technology initiatives. The Technology Committee's responsibilities include:

assessing and advising the board regarding our technology strategy, including: the long-term, strategic goals of our research and development (which we refer to as R&D) investments; technology and market trends relevant to our strategic direction; emerging technologies and markets consistent with or complementary to our strategic direction; and our overall technological competitiveness;

providing the board with technological guidance relevant to matters such as proposed market entries and exits, acquisitions and divestitures, and significant R&D investments; and

assessing and advising the board regarding our technology infrastructure, including the strength and competitiveness of our strategic and product planning procedures, programs for attracting, developing and retaining key technical personnel and technical leadership, R&D facilities and equipment, and programs for identifying, protecting, and exploiting our intellectual property.

Edgar Filing: ANALOGIC CORP - Form DEF 14A

The current members of our Technology Committee, which was created in fiscal 2008, are Mr. Brown, Dr. Modic, Dr. Parks, Dr. Vandebroek, and Dr. Wilson, Chairman. Our Technology Committee met three times during fiscal 2008.

Director Independence

Under NASDAQ rules applicable to us, a director of Analogic qualifies as an independent director only if, in the opinion of the board, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The board has determined that none of

Mr. Judge, Dr. Modic, Dr. Parks, Dr. Steinhauer, Dr. Vandebroek, Mr. Voboril, or Dr. Wilson has a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and that each of these directors is an independent director as defined under Rule 4200(a)(15) of the NASDAQ Marketplace Rules. The board also has determined that all of the current members of our Audit, Compensation, and Nominating and Corporate Governance Committees are independent as defined under NASDAQ rules.

Director Candidates

The process followed by the Nominating and Corporate Governance Committee to identify and evaluate director candidates includes requests to board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the committee and the board.

In considering whether to recommend any particular candidate for inclusion in the board's slate of recommended director nominees, the Nominating and Corporate Governance Committee will apply the criteria set forth in our corporate governance guidelines. Among other matters, these criteria specify that director nominees should have a reputation for integrity, demonstrated business acumen, a commitment to understand us and our industry, and the interest and ability to act in the interests of all of our stockholders. The committee does not assign specific weights to particular criteria, and no particular criterion is a prerequisite for each prospective director nominee. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge, and abilities that will allow the board to fulfill its responsibilities.

Stockholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential director candidates by submitting the candidates' names, together with appropriate biographical information and background materials and a statement as to the stockholder's ownership of common stock as of the date on which such recommendation is made, to Nominating and Corporate Governance Committee, c/o John J. Fry, Vice President, General Counsel, and Secretary, Analogic Corporation, 8 Centennial Drive, Peabody, Massachusetts 01960. Assuming that appropriate biographical and background materials have been provided on a timely basis, the Committee will evaluate stockholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others. If the board determines to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included in our proxy card for the next annual meeting of stockholders.

Stockholders also have the right under the By-laws to nominate director candidates directly, without any action or recommendation on the part of the Nominating and Corporate Governance Committee or the board, by following the procedures set forth in Article II, Section 15, of our By-laws. A stockholder entitled to vote in the election of directors may nominate one or more persons for election as directors only if written notice of such stockholder's intent to make such nomination or nominations has been given to our Secretary not later than ninety days prior to the anniversary date of the immediately preceding annual meeting of stockholders. Any stockholder notice of nomination shall contain the information set forth in Article II, Section 15, of our By-laws.

Communicating with the Independent Directors

The board will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. Our Chairman of the Board, with the assistance of our Vice President, General Counsel, and Secretary, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that our Chairman of the Board considers to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be

forwarded than communications relating to ordinary business affairs, personal grievances, and matters as to which we tend to receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to the board should address such communications to the Board of Directors, c/o John J. Fry, Vice President, General Counsel, and Secretary, Analogic Corporation, 8 Centennial Drive, Peabody, Massachusetts 01960.

Board Meetings and Attendance

The board met twelve times during fiscal 2008, either in person or by teleconference. During fiscal 2008, each director attended at least 75% of the aggregate number of board meetings and meetings held by all committees on which the director then served.

Director Attendance at Annual Meeting of Stockholders

We do not have a formal policy regarding the directors' attendance at our annual meetings of stockholders. Our practice, however, is to have a meeting of the board immediately following the annual meeting of stockholders. All directors attended the January 2008 annual meeting of stockholders.

DIRECTOR COMPENSATION

The Compensation Committee evaluates the appropriate level and form of compensation for non-employee directors at least annually and recommends changes to the board when appropriate. Non-employee directors receive annual cash retainers, meeting fees, and annual equity awards for their service. No compensation is paid to any director for his or her service as such if that director is an employee of ours. For fiscal 2008, the following compensation was paid to non-employee directors:

The monthly cash retainers for the Chairman of the Board and Vice Chairman of the Board were \$10,000 and \$4,000, respectively, for fiscal 2008. The annual cash retainer for directors was \$25,000 for fiscal 2008. As further described below, beginning in fiscal 2008, the non-employee directors have had the option to defer their annual cash retainer in the form of deferred stock units (which we refer to as DSUs). An annual share retainer of \$35,000, which is granted under the Analogic Corporation Non-Employee Director Stock Plan, was introduced in fiscal 2008. Prior to fiscal 2008, non-employee directors did not receive annual share retainers. The non-employee directors may elect to defer this retainer in the form of DSUs. The annual fee for the director who serves as chairman of the Audit Committee was \$10,000 for fiscal 2008. In addition, the director who serves as chairman of the Compensation Committee or the Nominating and Corporate Governance Committee is entitled to an annual fee of \$3,000; and the director who serves as chairman of the Technology Committee is entitled to an annual fee of \$7,500. Each of our directors who is not also an employee of Analogic is entitled to a fee of \$1,500 per meeting for each meeting of the board or any board committee attended in person, and a fee of \$1,000 per meeting for each meeting of the board or any board committee attended by telephone, together with reimbursement of travel expenses under certain circumstances.

In June 1996, the board adopted and our stockholders approved at the January 1997 Annual Meeting of Stockholders, the 1997 Non-Qualified Stock Option Plan for Non-Employee Directors, which was amended by the board on December 8, 2003, and approved by the stockholders at the January 2004 Annual Meeting of the Stockholders, and as further amended by the board on September 20, 2006 (which we refer to as the 1997 Plan). Pursuant to the 1997 Plan, options to purchase 150,000 shares of common stock may be granted only to our directors or directors of any of our subsidiaries who are not employees of Analogic or any such subsidiary. The exercise price of options granted under the 1997 Plan is the fair market value of the common stock on the date of grant. The 1997 Plan provides that each new non-employee director who is elected to the board shall be granted an option to acquire 5,000 shares, effective as of the date on which he or she is first elected to the board.

The 1997 Plan further provides that every four years from the date on which a non-employee director was last granted a non-employee director option, that non-employee director shall be granted an option to acquire 5,000 shares, effective as of the date of that fourth anniversary.

Options granted under the 1997 Plan become exercisable in three equal annual installments on each of the first three anniversaries of the date of grant, and expire ten years after the date of grant. In fiscal 2008, grants of options were made under the 1997 Plan to Mr. Voboril, Dr. Wilson, Mr. Brown, Mr. Gordon, Dr. Parks, Dr. Steinhauer, and Mr. John A. Tarello, who resigned as a director effective July 31, 2008. The 1997 Plan is administered by the board.

On January 28, 2008, our stockholders approved a new share-based director compensation plan for the non-employee members of the board named the Analogic Corporation Non-Employee Director Stock Plan (which we refer to as the 2008 Plan). The 2008 Plan provides for an Annual Share Retainer to be granted to each participant on each February 1. The Annual Share Retainer for calendar year 2008 had a value of \$35,000. The number of shares of common stock a participant will receive as a result of the Annual Share Retainer is equal to the quotient determined by dividing the dollar value of the Annual Share Retainer by the fair market value of a share of common stock on February 1 of the relevant year. The dollar value of the Annual Share Retainer may be adjusted from year to year as determined by the board after review by and a recommendation from the Compensation Committee, subject to a maximum annual dollar amount of \$70,000 per non-employee director.

Participants are not required to pay any purchase price for the Annual Share Retainer. Each participant may elect to receive some or all of (i) his or her Annual Share Retainer for a given calendar year or (ii) his or her Annual Cash Retainer (which consists of the annual base cash compensation he or she receives for service on the board and on any committees of the board, and, if applicable, all other compensation received for service as Chairman of the Board and as a Committee Chairman) in the form of DSUs, as elected by the participant no later than December 15 of the preceding calendar year. If DSUs are elected, the number of units is determined by dividing the dollar value of the Annual Share Retainer and/or Annual Cash Retainer (or portion thereof being deferred) by the fair market value of a share of common stock on the date that the retainer otherwise would have been paid. The DSUs are then assigned to a Deferred Stock Unit Account established and maintained by us for each participant in the plan. At any given time, the value of a DSU held for a participant is equal to the then-current value of a share of our common stock. Additional DSUs will be credited to this account based on the value of dividend equivalents that are earned on DSUs, and which are equal to dividends that are paid on a corresponding number of shares. The payout of the value (as adjusted in accordance with the 2008 Plan) of each grant of DSUs will be made in a single cash payment within 30 days following the participant's termination of service on the board or sooner, if previously elected by the participant, on a date certain selected by the participant prior to the time the DSUs were acquired by the participant; provided, however, that the date selected may not be less than one year from the date on which such DSUs were acquired.

The table below summarizes the compensation that we paid to our non-employee directors for fiscal 2008.

Name	Fees Earned or Paid in Cash (\$ (1))	Stock Awards (\$ (2))	Option Awards (\$ (3)(4))	All Other Compensation (\$)	Total (\$)
Edward F. Voboril	116,000		4,814	35,000	155,814
Gerald W. Wilson	113,000		4,814	35,000	152,814
M. Ross Brown	40,000		16,913	39,000 (5)	95,913
Bernard M. Gordon	83,500	35,000	5,590		124,090
James J. Judge	71,150		12,283	35,000	118,433
Michael T. Modic	65,000		17,186	35,000	117,186
Fred B. Parks	75,700		35,061	35,000	145,761
Bruce W. Steinhauer	81,000	35,000	4,814		120,814
John A. Tarello (6)	37,000		16,913	35,000	88,913
Sophie V. Vandebroek (7)					

- (1) The next table further describes the information included in this column.
- (2) This column represents each annual share retainer which a director did not elect to defer into DSUs. During fiscal 2008, Mr. Brown, Mr. Judge, Dr. Modic, Mr. Tarello, Mr. Voboril, Dr. Wilson, and Dr. Parks each elected to defer his annual share retainer in the form of DSUs. The \$35,000 value of the deferred share retainer is included in the All Other Compensation Column.
- (3) This column represents the dollar amount we recognized for financial statement reporting purposes with respect to fiscal 2008 related to stock option awards in accordance with Financial Accounting Standards Board (which we refer to as FASB) Statement No. 123 (revised 2004), *Share-Based Payment* (which we refer to as SFAS No. 123(R)), disregarding estimated forfeitures, and thus includes amounts for stock option awards granted in prior years. During fiscal 2008, options for 5,000 shares were granted to Mr. Voboril, Dr. Wilson, Mr. Brown, Mr. Gordon, Dr. Parks, Dr. Steinhauer, and Mr. Tarello. Additional information can be found in Note 3 to the consolidated financial statements included in our Annual Report on Form 10-K for fiscal 2008.
- (4) The non-employee directors have the following outstanding stock option awards as of July 31, 2008: Mr. Voboril: 14,000; Dr. Wilson: 10,000; Mr. Brown: 5,000; Mr. Gordon: 5,000; Mr. Judge: 5,000; Dr. Modic: 10,000; Dr. Parks: 5,000; Dr. Steinhauer: 15,000; and Mr. Tarello: 5,000.
- (5) In addition to the \$35,000 value of his deferred share retainer, this amount represents discretionary compensation received by Mr. Brown for advisory services provided to us during fiscal 2008.

(6) Mr. Tarello resigned a director effective July 31, 2008.

(7) Dr. Vandebroek was not a director of Analogic during fiscal 2008.

The following table further describes the information included in the Fees Earned or Paid in Cash column in the preceding table.

Name	Annual Retainers (\$)	Board Chairman and Vice Chairman	Board Fees (\$)	Audit Committee	Compensation Committee	Technology Committee	Nominating and Corporate Governance Committee	Total (\$)
		Fees (\$)		Fees (\$)	Fees (\$)		Fees (\$)	
Edward F. Voboril	7,500	60,000	20,500	7,000	8,500		12,500	116,000
Gerald W. Wilson	20,000	31,500	18,500	7,000	17,750	8,250	10,000	113,000
M. Ross Brown	20,000		17,000			3,000		40,000
Bernard M. Gordon	17,500	50,000	16,000					83,500
James J. Judge	20,000		21,650	17,000			12,500	71,150
Michael T. Modic	20,000		15,500		13,000	4,000	12,500	65,000
Fred B. Parks	25,000		19,950		17,750	4,500	8,500	75,700
Bruce W. Steinhauer	20,000		20,500	7,000	13,500		20,000	81,000
John A. Tarello	20,000		17,000					37,000
Sophie V. Vandebroek								

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS,
AND MANAGEMENT**

The following table sets forth information as to the beneficial ownership of our common stock as of October 15, 2008 (except as otherwise indicated) by (a) all persons (including any group, as defined in Section 13(d)(3) of the Exchange Act) known by us to beneficially own 5% or more of our common stock, (b) each director and nominee for director, (c) our named executive officers (as defined under Compensation of Executive Officers Summary Compensation Table below), and (d) all of our directors and executive officers as a group. With respect to directors and executive officers, the amounts shown are based upon information furnished by the individual directors and officers. Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include shares of common stock issuable upon exercise of stock options that are immediately exercisable or exercisable within 60 days after October 15, 2008. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days after October 15, 2008. Except as otherwise indicated, to our knowledge, the persons identified below have sole voting and sole investment power with respect to the shares they own of record.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
5% Stockholders		
T. Rowe Price Associates, Inc. (1) 100 East Pratt Street Baltimore, Maryland 21202	1,065,880	7.9%
Barclays Global Investors, N.A. (2) 1299 Ocean Avenue Santa Monica, California 90401	936,757	7.0%
Advisory Research, Inc. (3) 180 North Stetson Street, Suite 5500 Chicago, Illinois 60601	696,036	5.2%
Friess Associates LLC (4) 115 E. Snow King Jackson, WY 83001	677,000	5.1%