

SCHICK TECHNOLOGIES INC  
Form PRER14A  
April 07, 2006

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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

**Schick Technologies, Inc.**

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(Name of Registrant as Specified In Its Charter)

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(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)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:  
common stock of Schick Technologies, Inc.
- 
- (2) Aggregate number of securities to which transaction applies:  
36,972,480 shares of common stock of Schick Technologies, Inc.
- 
- (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):  
per share price of \$39.10, calculated by multiplying the average of the high and low prices of the Registrant's common stock on February 9, 2006 as reported on the Nasdaq National Market. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was determined by multiplying .000107 by the sum of the preceding sentence.
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(4) Proposed maximum aggregate value of transaction:  
\$1,445,623,968

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(5) Total fee paid:  
\$154,682

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ý Fee paid previously with preliminary materials.

o 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:

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

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(3) Filing Party:

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(4) Date Filed:

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**SCHICK TECHNOLOGIES, INC.**  
30-00 47<sup>th</sup> Avenue  
Long Island City, New York 11101  
(718) 937-5765

, 2006

Dear Stockholder of Schick Technologies, Inc.:

We invite you to attend a special meeting of stockholders of Schick Technologies, Inc. to be held at Schick's offices, located at 30-00 47<sup>th</sup> Avenue, 5<sup>th</sup> floor, Long Island City, New York 11101, at 10:00 a.m., Eastern Daylight Time, on \_\_\_\_\_, 2006. Holders of record of Schick common stock at the close of business on \_\_\_\_\_, 2006 will be entitled to vote at the special meeting or any adjournment of the special meeting.

On September 25, 2005, Schick entered into an Exchange Agreement with Sirona Holdings Luxco S.C.A. (referred to in the enclosed proxy statement as "Luxco") and Sirona Holding GmbH (referred to in the enclosed proxy statement as "Sirona") providing for the issuance of 36,972,480 shares of Schick common stock to Luxco in exchange for Luxco's entire economic interest in Sirona, which consists of all of the issued and outstanding share capital of Sirona and the existing indebtedness of Sirona owed to Luxco in the principal amount of €150,992,464. As a result of the transactions contemplated by the Exchange Agreement, Sirona will become a subsidiary of Schick, Luxco will become the majority stockholder of Schick and the indebtedness will become inter-company indebtedness of Sirona owed to Schick that will be eliminated on the consolidated balance sheet of the combined company. At the special meeting, we will ask you to approve the Exchange Agreement and other matters relating to the transactions contemplated by the Exchange Agreement, including amending our Amended and Restated Certificate of Incorporation to increase our authorized shares of capital stock and to change our corporate name to Sirona Dental Systems, Inc., and amending our 1996 Stock Option Plan.

We will not be able to complete the transactions unless all of the conditions to closing contemplated by the Exchange Agreement are satisfied, including the approval of the issuance of shares of our common stock by holders of a majority of the outstanding shares of our common stock.

**Our Board of Directors unanimously determined that the transactions contemplated by the Exchange Agreement are advisable and that the issuance of shares of our common stock pursuant to the transactions contemplated by the Exchange Agreement and related agreements is fair to, and in the best interests of, our stockholders. Our Board unanimously recommends that our stockholders vote "FOR" the approval of the Exchange Agreement and the transactions under the Exchange Agreement and related matters.**

In arriving at its recommendation, our Board carefully considered various factors described in the accompanying proxy statement. One of the factors considered was the written opinion of UBS Securities LLC, which acted as our financial advisor in connection with the transactions, that as of September 25, 2005, and based upon the qualifications, limitations and assumptions set forth in the opinion, the shares of common stock to be issued by Schick to Luxco pursuant to the Exchange Agreement, are fair, from a financial point of view, to the holders of Schick's common stock. The full text of this opinion is attached as Annex B to the accompanying proxy statement, and the opinion should be carefully read in its entirety. UBS provided its opinion solely for the information and assistance of our Board in connection with its consideration of the transactions under the Exchange Agreement. UBS' opinion is not a recommendation as to how any holder of our common stock or any other person should vote or act with respect to the transactions under the Exchange Agreement.

The proxy statement attached to this letter provides you with information about the proposed transactions under the Exchange Agreement and other actions to be taken at the special meeting of Schick stockholders. **Before voting, we urge you to read the entire proxy statement carefully, including the section entitled "Risk Factors."** You may also obtain more information about Schick from documents we have filed with the Securities and Exchange Commission.

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The ability to have your vote counted at the meeting is an important stockholder right. Regardless of the number of shares you hold, and whether or not you plan to attend the meeting, your vote is very important and we hope that you will cast your vote. If you are a stockholder of record, you may vote in person at the special meeting or by proxy by mailing the enclosed proxy card in the envelope provided or appointing a proxy over the Internet or by telephone as instructed in these materials. You will find voting instructions in the proxy statement and on the enclosed proxy card. If your shares are held in "street name" that is, held for your account by a broker or other nominee you will receive instructions from the holder of record that you must follow for your shares to be voted.

On behalf of our Board, thank you for your ongoing support and continued interest in Schick Technologies, Inc.

Sincerely,

[signature]

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Jeffrey T. Slovin

*President and Chief Executive Officer*

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the transactions contemplated by the Exchange Agreement, passed upon the merits or fairness of the Exchange Agreement or the transactions contemplated thereby, or passed upon the adequacy or accuracy of the enclosed proxy statement. Any representation to the contrary is a criminal offense.

This proxy statement is dated \_\_\_\_\_, 2006 and is being first mailed to stockholders on or about \_\_\_\_\_, 2006.

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**SCHICK TECHNOLOGIES, INC.**

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**NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD \_\_\_\_\_, 2006**

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NOTICE IS HEREBY GIVEN that a Special Meeting of Stockholders of Schick Technologies, Inc., a Delaware corporation, will be held on \_\_\_\_\_, 2006 at 10:00 a.m. Eastern Daylight Time, at our offices, located at 30-00 47<sup>th</sup> Avenue, 5<sup>th</sup> floor, Long Island City, New York 11101, for the following purposes, as more fully described in the proxy statement accompanying this notice:

1. To approve the Exchange Agreement, dated as of September 25, 2005, by and among Schick, Luxco and Sirona, and the issuance of 36,972,480 shares of Schick common stock to Luxco in accordance with the terms of the Exchange Agreement in exchange for Luxco's entire economic interest in Sirona, which consists of all of the issued and outstanding share capital of Sirona and the existing indebtedness of Sirona owed to Luxco, in the principal amount of €150,992,464.
2. To approve an amendment to Schick's Amended and Restated Certificate of Incorporation to increase Schick's authorized capital stock to a total of 100,000,000 shares, consisting of 95,000,000 shares of common stock and 5,000,000 shares of preferred stock, and to change the corporate name of Schick to "Sirona Dental Systems, Inc."
3. To approve an amendment to Schick's 1996 Stock Option Plan to provide that non-statutory stock options may be granted under the plan to employees of, and consultants to, any company, or any subsidiary of any company, the control of which Schick has agreed to acquire, and to increase the number of shares of Schick common stock available for issuance under the plan by 1,700,000 shares.
4. To transact any other business which may properly come before the Special Meeting or any adjournment(s) or postponement(s) thereof.

These items of business are more fully described in the proxy statement accompanying this notice. We encourage you to read the proxy statement and its annexes in their entirety before voting.

Under the terms of the Exchange Agreement, approval by Schick's stockholders of Proposals 1 and 2 is a condition to closing the transactions under the Exchange Agreement. Accordingly, in the event that either Proposal 1 or 2 does not receive the required vote by our stockholders, the transactions under the Exchange Agreement will not close.

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The record date for the special meeting is \_\_\_\_\_, 2006. Only stockholders of record as of the close of business on that date may vote at the meeting or any adjournment thereof.

BY ORDER OF THE BOARD OF DIRECTORS

Long Island City, New York  
, 2006

Zvi N. Raskin  
*Secretary*

**You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. You also have the option of voting by telephone or by using the Internet as instructed in these materials. Your vote by telephone or using the Internet must be received by 11:59 p.m., Eastern Daylight Time on \_\_\_\_\_, 2006 to be counted. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must first obtain a proxy issued in your name from that record holder.**

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## OVERVIEW

### QUESTIONS AND ANSWERS ABOUT THE EXCHANGE

Throughout this proxy statement, when we use the term "Schick," the "Company," "we," "us" or "our," we are referring to Schick Technologies, Inc.; when we use the term "Sirona," we are referring to Sirona Holding GmbH (formerly known as Blitz 05-118 GmbH); when we use the term "Luxco," we are referring to Sirona Holdings Luxco S.C.A.; when we use the term "Luxco Manager" we are referring to Sirona Holdings S.A., which is the manager of Luxco; and when we use the term "Exchange Agreement," we are referring to the Exchange Agreement, dated as of September 25, 2005, by and among Schick, Luxco and Sirona, which is attached to this proxy statement as Annex A.

Additionally, when we use the terms "Exchange," "transaction," "transactions contemplated by the Exchange Agreement" or "transactions under the Exchange Agreement," we are referring to the acquisition by Schick of Luxco's entire economic interest in Sirona, which consists of all of the issued and outstanding share capital of Sirona and the existing indebtedness of Sirona owed to Luxco in the principal amount of €150,992,464 (the "Shareholder Loan"), in exchange for the issuance by Schick to Luxco of 36,972,480 shares of our common stock, par value \$0.01 per share, and upon the terms and subject to the conditions of the Exchange Agreement, whereby Sirona will become our subsidiary.

**Q:**  
**Why am I receiving this proxy statement?**

**A:**  
We, Luxco and Sirona have agreed to combine the businesses of Schick and Sirona under the terms of the Exchange Agreement. In connection with the transaction, we have agreed to acquire, in exchange for our issuance of 36,972,480 shares of common stock to Luxco, Luxco's entire economic interest in Sirona, which consists of all of the issued and outstanding share capital of Sirona and the Shareholder Loan, on the terms and subject to the conditions set forth in the Exchange Agreement, which terms and conditions are described in this proxy statement.

In order to complete the transactions under the Exchange Agreement, our stockholders must approve (1) the Exchange Agreement and the transactions contemplated by the Exchange Agreement and (2) an amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our capital stock and to change our corporate name. We are sending this proxy statement and the enclosed proxy card to our stockholders because our Board of Directors is soliciting their proxies to vote on these matters and various other matters set forth in this proxy statement at the special meeting of our stockholders.

This proxy statement also contains important information about a proposal to increase the number of shares reserved for issuance under our 1996 Stock Option Plan. Please read it carefully.

You are invited to attend the special meeting, and we request that you vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card. You also have the option of voting by telephone or by using the Internet as instructed in these materials.

We intend to mail this proxy statement and accompanying proxy card on or about \_\_\_\_\_, 2006 to all stockholders of record entitled to vote at the special meeting.

**Q:**  
**Why is it important for Schick's stockholders to vote?**

**A:**  
We cannot complete the Exchange without the affirmative vote of a majority of the shares of our common stock outstanding and entitled to vote as of the record date in favor of the approval of the Exchange Agreement and the issuance of our common stock in accordance with the Exchange Agreement (Proposal 1) and the approval of an amendment to our Amended and Restated Certification of Incorporation to effect an increase in the number of authorized shares of our capital stock and to change our corporate name (Proposal 2). For more information on the votes required to approve each proposal, see the section entitled "Questions and Answers About the Special Meeting of Schick's Stockholders."

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**Q:**  
**Why is Schick proposing the Exchange?**

**A:**  
We believe that the proposed Exchange will provide strategic and financial benefits to Schick and its stockholders, including:

transforming Schick from a comparatively small company with a relatively narrow product offering into a global leader in high-tech dental equipment with a breadth of products, thereby mitigating some of the risks that smaller companies face in today's marketplace;

joining with a company that is a leader in research and development in our industry;

participating in the dental computer aided development/computer aided manufacturing (CAD/CAM) market through Sirona's leadership in "chairside CAD/CAM systems";

benefiting from the synergies between Sirona's imaging systems and ours;

increasing our product distribution capabilities;

adding to our cash flow as a result of expected synergies;

increasing our access to the capital markets;

benefiting from a share exchange ratio that reflects a favorable relative valuation of Schick;

enabling us to pay a \$2.50 per share dividend to our stockholders;

taking advantage of the consolidation trend in the industry; and

benefiting from Sirona's strong and experienced management and skilled employees.

For details of the reasons for the transaction, see the section entitled "The Exchange Schick's Reasons for the Exchange" under Proposal 1.

**Q:**  
**What will happen in the Exchange?**

**A:**  
In accordance with the provisions of the Exchange Agreement, Luxco will exchange all of its economic interest in Sirona, which consists of all of the issued and outstanding shares of capital stock of Sirona and the Shareholder Loan for 36,972,480 shares of our common stock. Following the closing of the transactions under the Exchange Agreement, Luxco will become the holder of approximately 66.1% of our outstanding common stock on a fully diluted basis (66.8% on a diluted basis in accordance with the treasury method). Sirona will become a subsidiary of Schick, and the Shareholder Loan will become inter-company indebtedness of Sirona owed to Schick that will be eliminated on the consolidated balance sheet of the combined company.

**Q:**  
**Will Schick stockholders receive any consideration in connection with the Exchange?**

**A:**  
Although Schick stockholders will not receive any consideration pursuant to the terms of the Exchange Agreement in connection with the Exchange, our Board has declared a dividend of \$2.50 per share for our stockholders of record as of \_\_\_\_\_, 2006.

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We will pay the dividend to our stockholders shortly prior to or after the closing of the Exchange, provided that the stockholders have approved Proposals 1 and 2 described in this proxy statement.

**Q:**  
**Does Schick's Board recommend voting in favor of the proposals related to the Exchange?**

**A:**  
Yes. After careful consideration, our Board determined that the Exchange is fair to and in the best interests of our stockholders. Our Board recommends that our stockholders vote "For" Proposals 1 and 2, each of which is required to consummate the transactions contemplated by the Exchange Agreement.

For a description of the factors considered by our Board in making its determination, you should read the section entitled "The Exchange Schick's Reasons for the Exchange" under Proposal 1.

**Q: Have any Schick stockholders committed to vote in favor of the transaction?**

**A:** Yes. Our largest stockholder, our current directors and certain of our executive officers and former directors have entered into voting agreements with Luxco, agreeing to vote in favor of the Exchange Agreement, the amendment to our Amended and Restated Certificate of Incorporation and the transactions contemplated by the Exchange Agreement. These stockholders also agreed to vote against any other merger or competing transaction with respect to Schick and against any amendment to Schick's organizational documents (other than the amendment described in the previous sentence) or other action or agreement which would frustrate, hinder or delay the foregoing. In addition, pursuant to the voting agreements, these stockholders granted to Luxco an irrevocable proxy to vote their shares in favor of the matters described in this proxy statement. As of \_\_\_\_\_, 2006, the record date, these stockholders owned \_\_\_\_\_ shares, or \_\_\_\_\_%, of our outstanding common stock.

**Q: When do you expect the closing of the transactions under the Exchange Agreement to occur?**

**A:** We and Sirona are working to complete the Exchange as quickly as possible and expect to complete the transaction shortly after obtaining the requisite stockholder approval at the special meeting. We would expect this to occur by \_\_\_\_\_, 2006. However, we cannot predict the exact timing of the closing of the transaction because the transaction is subject to several conditions. For a description of the conditions to the closing of the transactions under the Exchange Agreement, see the section entitled "The Exchange Agreement Conditions to Completion of the Exchange" under Proposal 1.

**Q: What do I need to do now?**

**A:** You should carefully read and consider the information contained in this proxy statement, including the annexes, our Annual Report on Form 10-K for the year ended March 31, 2005 and our Quarterly Report on Form 10-Q for the quarter ended December 31, 2005, which are incorporated herein by reference, and consider how the transaction will affect you as a stockholder of Schick.

You should complete and return the enclosed proxy card as soon as possible in accordance with the instructions provided in this proxy statement and on the enclosed proxy card.

**Q: Are there risks associated with the Exchange?**

**A:** Yes. Our Board believes that the combination with Sirona will provide substantial benefits to the stockholders of Schick. For a description of these benefits, see the section entitled "The Exchange Schick's Reasons for the Exchange" under Proposal 1. However, in deciding whether to approve the Exchange, the issuance of shares of Schick's common stock and the increase in Schick's authorized capital stock, we urge you to carefully read and consider the risk factors contained in the section entitled "Risk Factors."

**Q: Whom should I contact if I have questions?**

**A:** If you have any questions about the transaction or if you need additional copies of this proxy statement or the enclosed proxy card, you should contact D.F. King & Co., Inc., our proxy solicitor, toll-free at 1-800-967-7921, or:

Schick Technologies, Inc.  
30-00 47<sup>th</sup> Avenue  
Long Island City, New York 11101  
(718) 937-5765  
Attention: Corporate Secretary

**Q: What percentage of the common stock of Schick after the proposed transaction will be owned by current affiliates and non-affiliates of Schick?**

**A:** After the consummation of the Exchange, our current stockholders and optionholders who are affiliates of Schick will own approximately 11.2% of the outstanding common stock of Schick and our current stockholders and optionholders who are not affiliates of Schick will own approximately 22.7% of the outstanding common stock of Schick, determined as of December 31, 2005, on a fully diluted basis.

**Q: Will current holders of outstanding options to purchase common stock of Schick be able to vote the shares of common stock underlying their options for purposes of approving the Exchange Agreement and the related matters described herein?**

**A:** No. Holders of outstanding options to purchase common stock of Schick are not able to vote the shares of common stock underlying their options for purposes of approving the Exchange Agreement and related matters described herein or for any other proposal submitted for stockholder approval. To the extent a holder of an option purchased Schick common stock upon the exercise of his or her option prior to the record date of the special meeting and holds those shares as of the record date, then he or she may vote those shares on the matters submitted for stockholder approval at the special meeting.

**Q: Will current holders of outstanding options to purchase common stock of Schick be able to exercise their options prior to the special meeting, and, if so, what are the mechanics to exercise the options?**

**A:** Whether a current holder of an outstanding option to purchase common stock of Schick is able to exercise his or her option depends upon whether the terms of the option permit the option to be exercised in whole or in part prior to the record date for the special meeting. To the extent that the terms of the option permit its exercise prior to the record date for the special meeting, the holder may exercise the option by complying with the procedures described in the option and any related plan or agreement pursuant to which the option was granted, as applicable. Each holder of an option should review his option and any related plan or agreement pursuant to which the option was granted to determine whether the option may be exercised and, if so, the procedures for exercising the option.

**You may also obtain additional information about us from documents filed with or furnished to the United States Securities and Exchange Commission, referred to in this proxy statement as the SEC, by following the instructions in the section entitled "Where You Can Find More Information."**

**QUESTIONS AND ANSWERS ABOUT THE  
SPECIAL MEETING OF SCHICK'S STOCKHOLDERS**

**When and where will the special meeting be held?**

The special meeting will be held on \_\_\_\_\_, 2006 at 10:00 a.m. Eastern Daylight Time at the offices of Schick Technologies, Inc., located on the fifth floor of 30-00 47<sup>th</sup> Avenue, Long Island City, New York 11101.

**Who can vote at the special meeting?**

Only Schick stockholders of record as of the close of business on \_\_\_\_\_, 2006 will be entitled to vote at the special meeting. On this record date, there were \_\_\_\_\_ shares of common stock outstanding and entitled to vote. No shares of preferred stock were outstanding.

***Stockholder of Record: Shares Registered in Your Name***

If on \_\_\_\_\_, 2006, your shares were registered directly in your name with Schick's transfer agent, American Stock Transfer and Trust Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted. You also have the option of voting by telephone or by using the Internet as instructed in these materials.

***Beneficial Owner: Shares Registered in the Name of a Broker or Bank***

If on \_\_\_\_\_, 2006, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in "street name," and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the special meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the special meeting. However, because you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

**What am I voting on?**

The following matters are scheduled for a vote at the special meeting:

1. Approval of the Exchange Agreement and the issuance of 36,972,480 shares of Schick's common stock in accordance with the terms of the Exchange Agreement in exchange for Luxco's entire economic interest in Sirona, which consists of all of the issued and outstanding share capital of Sirona and the Shareholder Loan.
2. Approval of an amendment to Schick's Amended and Restated Certificate of Incorporation to increase Schick's authorized capital stock to a total of 100,000,000 shares, consisting of 5,000,000 shares of preferred stock and 95,000,000 shares of common stock, and to change the corporate name of Schick to "Sirona Dental Systems, Inc."
3. Approval of an amendment to Schick's 1996 Stock Option Plan to provide that non-statutory stock options may be granted under the plan to employees of, and consultants to, any company, or any subsidiary of any company, the control of which Schick has agreed to acquire, and to increase the number of shares of Schick's common stock available for issuance under the plan by 1,700,000 shares.

If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his best judgment.

**How do I vote?**

For each of the matters to be voted on, you may vote "For" or "Against" or abstain from voting. The procedures for voting are fairly simple:

***Stockholder of Record: Shares Registered in Your Name***

If you are a stockholder of record, you may vote in one of four ways:

1. *By voting in person.* Come to the special meeting and we will give you a ballot when you arrive.
2. *By completing, signing, dating and promptly returning the enclosed proxy card in the envelope provided.* If you return your signed proxy card to us before the special meeting, we will vote your shares as you direct.
3. By calling toll-free (in the United States), on a touch-tone phone, the 800 number printed on the instructions accompanying your proxy card, which is available 24 hours a day. Have your proxy card in hand when you call, then follow the recorded instructions. Your vote must be received by 11:59 p.m., Eastern Daylight Time on \_\_\_\_\_, 2006 to be counted.
4. By visiting the Internet site at *www.proxyvote.com*. Have your proxy card in hand when you access the website and follow the instructions to create an electronic voting instruction form. Your vote must be received by 11:59 p.m., Eastern Daylight Time on \_\_\_\_\_, 2006 to be counted.

Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

***Beneficial Owner: Shares Registered in the Name of Broker or Bank***

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from Schick. Simply complete and mail the proxy card to ensure that your vote is counted. Some banks and brokers may offer telephone and Internet voting. If you wish to vote in person at the special meeting, you must first obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

We provide Internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

**How many votes do I have?**

On each matter to be voted upon, you have one vote for each share of common stock that you own as of the close of business on \_\_\_\_\_, 2006.

**What if I return a proxy card but do not make specific choices?**

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted as follows:

"For" the approval of the Exchange Agreement and the issuance of 36,972,480 shares of Schick's common stock to Luxco in accordance with the terms of the Exchange Agreement in exchange

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for Luxco's entire economic interest in Sirona, which consists of all of the issued and outstanding share capital of Sirona and the Shareholder Loan;

"For" the approval of an amendment to Schick's Amended and Restated Certificate of Incorporation to increase Schick's authorized capital stock to a total of 100,000,000 shares, consisting of 5,000,000 shares of preferred stock and 95,000,000 shares of common stock, and to change the corporate name of Schick to "Sirona Dental Systems, Inc."; and

"For" the approval of an amendment of the 1996 Stock Option Plan to provide that non-statutory stock options may be granted under the plan to employees of, and consultants to, any company, or any subsidiary of any company, the control of which Schick has agreed to acquire, and to increase the number of shares of Schick's common stock available for issuance under the plan by 1,700,000 shares.

If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his best judgment.

### **Who is paying for this proxy solicitation?**

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees and proxy solicitor may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies, but our proxy solicitor will be paid its customary fee of approximately \$6,500 plus out-of-pocket expenses if it solicits proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

### **What does it mean if I receive more than one proxy card?**

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card to ensure that all of your shares are voted.

### **Can I change my vote after submitting my proxy?**

Yes. You can revoke your proxy at any time before the final vote at the meeting. You may revoke your proxy in any one of three ways:

You may submit another properly completed proxy card with a later date.

You may send a written notice that you are revoking your proxy to the attention of Schick's Corporate Secretary at Schick Technologies, Inc., 30-00 47<sup>th</sup> Avenue, Long Island City, New York 11101.

You may attend the special meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

### **How are votes counted?**

Votes will be counted by the inspector of election appointed for the meeting, who will separately count votes "For" and "Against." "Broker non-votes" occur when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner (despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions). Abstentions will be counted towards the vote total for each proposal, and will have the same effect as "Against" votes. Broker



non-votes have no effect and will not be counted towards the vote total for any proposal except Proposals 1 and 2, for which broker non-votes will not be counted as being voted but will have the same effect as "Against" votes.

If your shares are held by your broker as your nominee (that is, in "street name"), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker cannot vote your shares with respect to the proposals being voted on at the special meeting, all of which are considered "non-discretionary" items.

**How many votes are needed to approve each proposal?**

Proposal 1: Approval of the Exchange Agreement and the issuance of shares of Schick's common stock to Luxco in accordance with the terms of the Exchange Agreement in exchange for Luxco's entire economic interest in Sirona, which consists of all of the issued and outstanding share capital of Sirona and the Shareholder Loan, must receive a "For" vote from the majority of outstanding shares. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have the same effect as an "Against" vote.

Proposal 2: Approval of an amendment to Schick's Amended and Restated Certificate of Incorporation to increase Schick's authorized capital stock to a total of 100,000,000 shares, consisting of 5,000,000 shares of preferred stock and 95,000,000 shares of common stock, and to change the corporate name of Schick to "Sirona Dental Systems, Inc.," must receive a "For" vote from the majority of the outstanding shares. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have the same effect as an "Against" vote.

Proposal 3: Approval of an amendment of the 1996 Stock Option Plan to provide that non-statutory stock options may be granted under the plan to employees of, and consultants to, any company, or any subsidiary of any company, the control of which Schick has agreed to acquire, and to increase the number of shares of Schick's common stock available for issuance under the plan by 1,700,000 shares, must receive a "For" vote from the majority of shares entitled to vote and present either in person or by proxy. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect.

**What is the quorum requirement?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding number of shares are represented at the meeting, whether in person or by proxy. On the record date, there were \_\_\_\_\_ shares outstanding and entitled to vote. Thus at least \_\_\_\_\_ shares must be represented in person or by proxy at the special meeting to have a quorum.

Your shares will be counted toward the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the chairman of the meeting or a majority of the votes present at the meeting may adjourn the meeting to another date.

**How can I find out the results of the voting at the special meeting?**

Preliminary voting results will be announced at the special meeting. Final voting results will be published in a press release and our Quarterly Report on Form 10-Q for the fiscal quarter in which the meeting occurs.

### SUMMARY OF THE EXCHANGE (PROPOSAL 1)

This summary highlights selected information from this proxy statement relating to the Exchange Agreement and the transactions contemplated therein (Proposal 1) and does not contain all of the information that is important to you. To better understand the Exchange Agreement and the transactions contemplated therein, you should read this entire proxy statement carefully, including the Exchange Agreement attached as Annex A and incorporated by reference into this proxy statement, the opinion of UBS Securities LLC attached as Annex B and the other documents to which we refer. In addition, we incorporate important business and financial information about Schick by reference, including our Annual Report on Form 10-K for the year ended March 31, 2005, and our Quarterly Report on Form 10-Q for the quarter ended December 31, 2005. You may obtain copies of these documents and other information incorporated by reference into this proxy statement without charge by following the instructions in the section entitled "Where You Can Find More Information." We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.

#### The Companies

Schick Technologies, Inc.  
30-00 47<sup>th</sup> Avenue  
Long Island City, New York 11101  
(718) 937-5765

Schick, an ISO 9001 certified company, designs, develops, and manufactures innovative digital radiographic imaging systems and devices for the dental market. Schick's products, which are based on proprietary digital imaging technologies, create instant high-resolution radiographs and offer significant advantages over conventional x-ray devices. Schick's headquarters are located in Long Island City, New York.

Sirona Holding GmbH  
Fabrikstrasse 31  
64625 Bensheim  
Germany  
49 6251/16-2801

Sirona is a leading global manufacturer of high tech dental equipment and technologies and has served equipment dealers and dentists worldwide for more than 125 years. Sirona develops, manufactures, and markets a broad line of dental equipment, including CEREC CAD/CAM restoration systems, digital and film-based intra-oral and panoramic imaging systems, dental treatment centers and instruments. Sirona's worldwide headquarters are located in Bensheim, Germany and its U.S. headquarters are located in Charlotte, North Carolina.

Sirona is currently a wholly-owned subsidiary of Luxco. Luxco is a Luxembourg-based holding entity owned by funds managed by Madison Dearborn Partners, Beecken Petty O'Keefe, management and employees of Sirona. Luxco is controlled by Luxco Manager, which is owned and controlled by Madison Dearborn Partners. Madison Dearborn Partners is a leading private equity investment firm based in Chicago, Illinois. Madison Dearborn Partners has approximately \$8 billion of capital under management through limited partnerships of which it is the general partner and affiliated limited partnerships. Upon completion of the Exchange, four representatives of Madison Dearborn Partners are expected to serve on the board of directors of the combined company.

#### The Exchange and the Exchange Agreement (see Pages 40 and 66)

Subject to stockholder approval, we have agreed to issue 36,972,480 shares of our common stock to Luxco, in exchange for Luxco's entire economic interest in Sirona, which consists of all of the issued and outstanding share capital of Sirona and the Shareholder Loan, under the terms of the Exchange

Agreement under Proposal 1. Additional terms and conditions of the Exchange are described in the section entitled "The Exchange Agreement" under Proposal 1 beginning on page 66.

**Schick, Luxco and Sirona May Amend or Terminate the Exchange Agreement (see Page 73)**

We, Luxco and Sirona may amend the Exchange Agreement under certain conditions. The Exchange Agreement may be terminated by either us or Luxco under certain circumstances, including, the failure to close the Exchange on or prior to May 31, 2006, the failure to obtain the requisite stockholder votes to approve Proposals 1 and 2, or if any governmental entity issues an order or takes any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by the Exchange Agreement. We may also terminate the Exchange Agreement if our Board withdraws its recommendation in favor of the Exchange Agreement. If the Exchange Agreement is terminated, the agreement provides, in specified circumstances associated with competing transaction proposals, that we would pay Luxco a termination fee of \$13.5 million. We would be required to reimburse Luxco and Sirona their expenses in an amount not to exceed \$1.5 million under certain other circumstances in the event of the failure to obtain the requisite votes to approve Proposals 1 and 2. The Exchange Agreement does not provide for any specific termination fee to be paid to us.

**Dividend Payment**

In connection with the Exchange, our Board has declared a dividend of \$2.50 per share for our stockholders of record as of \_\_\_\_\_, 2006. We will pay the dividend to our stockholders shortly prior to or after the closing of the Exchange, provided that our stockholders approve Proposals 1 and 2.

**Recommendation of the Board of Directors of Schick and its Reasons for the Exchange (see Page 45)**

Our Board unanimously approved the Exchange Agreement and the transactions contemplated by the Exchange Agreement, the issuance of 36,972,480 shares of our common stock to Luxco in accordance with the Exchange Agreement and the amendment to our Amended and Restated Certificate of Incorporation and unanimously recommends that our stockholders vote "FOR" each of the proposals in this proxy statement.

Our Board considered many factors in making the determination that the combination with Sirona through the Exchange is fair to our stockholders and in their best interests, which factors are discussed in the section entitled "The Exchange Schick's Reasons for the Exchange" under Proposal 1 beginning on page 45.

**Opinion of Schick's Financial Advisor to the Board of Directors (see Page 48)**

In connection with the transaction, our financial advisor, UBS Securities LLC, rendered its opinion to our Board that as of September 25, 2005, and based upon the qualifications, limitations and assumptions set forth in the opinion, the shares of common stock to be issued by us to Luxco pursuant to the Exchange Agreement, are fair, from a financial point of view, to Schick's stockholders. The full text of the UBS opinion is attached as Annex B to this proxy statement, and sets forth the assumptions made, matters considered, and the qualifications and limitations of the review undertaken by UBS. We urge you to carefully read this opinion in its entirety.

**Voting Agreement (see Page 75)**

In connection with the Exchange, Greystone Funding Corp. ("Greystone"), which is our largest stockholder, each of our current directors and certain of our executive officers and former directors have entered into voting agreements with Luxco pursuant to which they agreed, among other things, to vote the shares of our common stock that they hold in favor of all matters to be submitted for stockholder approval in connection with the Exchange Agreement, the Exchange and the transactions related to the Exchange, and against any other transaction or action that could reasonably be expected

to adversely affect the Exchange Agreement or result in any of the conditions to the obligations of the parties under the Exchange Agreement not being fulfilled. The shares of our common stock subject to these voting agreements represented approximately 36.6% of our outstanding common stock as of September 25, 2005.

**Registration Agreement (see Page 75)**

The shares of our common stock issued in connection with the transactions contemplated by the Exchange Agreement will be issued in reliance on one or more exemptions from the registration requirements of federal and state securities laws. As a result, Luxco may not sell any of the shares of our common stock it receives in the Exchange except pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act") covering the resale of those shares or an applicable exemption under the Securities Act.

We will enter into a Registration Agreement with Luxco granting it registration rights with respect to the shares of our common stock it receives in the Exchange.

**Directors and Executive Officers of the Combined Company Following the Exchange (see Page 58)**

Effective as of the closing of the Exchange, the board of directors of the combined company will be expanded to ten members, consisting of William K. Hood, Arthur D. Kowaloff and Jeffrey T. Slovin, three of our current directors, and the following seven individuals designated by Luxco, or such other persons as may be designated by Luxco, to the board: Timothy P. Sullivan, Nicholas W. Alexos, Timothy D. Sheehan, David Beecken, Harry M. Jansen Kraemer, Jr., Jost Fischer and Simone Blank.

Effective as of the closing of the Exchange, Jost Fischer, the current Chief Executive Officer of Sirona, will be appointed Chairman of the Board, President and Chief Executive Officer of the combined company; Jeffrey T. Slovin, our current President and Chief Executive Officer, will be appointed Executive Vice President of the combined company and Chief Operating Officer of U.S. Operations; and Simone Blank, Sirona's current Chief Financial Officer, will be appointed Executive Vice President and Chief Financial Officer of the combined company.

**Interests of Directors, Officers and Affiliates (see Page 54)**

Certain of our directors and executive officers have agreements or arrangements that provide them with interests in the combination with Sirona that are different from, or in addition to, your interests.

Upon the execution of the Exchange Agreement and related documents on September 25, 2005, the vesting of 15,000 options held by each of our directors William K. Hood, Arthur D. Kowaloff and Curt Rocca was accelerated according to their terms and such options became fully vested as of such date. Those options would otherwise have vested on June 9, 2006, November 4, 2005 and February 3, 2006, respectively.

Michael Stone, our Executive Vice President, was granted 75,000 options on September 25, 2005, subject to the approval of the amendment to the 1996 Stock Option Plan as described in Proposal 3, and the vesting of such options will not commence until the closing of the Exchange. In addition, assuming the closing of the Exchange will occur on or about May 15, 2006, the vesting of an additional 78,125 options held by Mr. Stone will accelerate and such options will be fully vested at the closing of the Exchange according to their terms. He may receive a one-time bonus of \$497,590 that will be paid at or about the same time as the payment of the \$2.50 per share dividend discussed elsewhere in this proxy statement. We anticipate that we will enter into a new employment agreement with Mr. Stone pursuant to which he would agree that 199,036 shares of Schick common stock that he may acquire upon the exercise of outstanding stock options, including the 75,000 options provisionally granted as described above, may not be sold by him unless our Board approves the sale (with such approval not to be unreasonably withheld). This restriction on his ability to sell those shares would remain in effect until the earlier of September 25, 2013 or the termination of his employment.

Jeffrey T. Slovin, our Chief Executive Officer, was granted 1,130,000 options on September 25, 2005, subject to the approval of the amendment to the 1996 Stock Option Plan as described in Proposal 3, and the vesting of such options will not commence until the closing of the Exchange. If the amendment to the 1996 Stock Option Plan is not approved by our stockholders, Mr. Slovin will be entitled to receive the economic equivalent of such options. In addition, assuming the closing of the Exchange will occur on or about May 15, 2006, the vesting of an additional 208,335 options held by Mr. Slovin will accelerate and such options will be fully vested at the closing of the Exchange according to their terms. Mr. Slovin may receive a one-time bonus of \$1,014,463 that will be paid at or about the same time as the payment of the \$2.50 per share dividend.

Mr. Slovin's option agreement also requires that shares acquired upon the exercise of the 1,130,000 options provisionally granted on September 25, 2005 or upon the exercise of the 400,000 options granted under his current employment agreement may not be sold by Mr. Slovin unless the Board approves the sale (with such approval not to be unreasonably withheld). This restriction on Mr. Slovin's ability to sell these shares shall remain in effect until the earlier of September 25, 2013 or the termination of his employment and directorship.

In addition, we will enter into a new employment agreement with Mr. Slovin pursuant to which he will serve as Executive Vice President of the combined company and Chief Operating Officer of U.S. Operations following the closing of the transactions under the Exchange Agreement. This employment agreement will become effective at the closing of the Exchange and will supersede in their entirety at such time the existing employment agreement and other compensatory arrangements with Mr. Slovin. Pursuant to the new employment agreement, Mr. Slovin will receive no increase in salary, and his term of employment will not be extended. He will be eligible for a bonus plan to be developed for all senior executives of the combined company after the closing of the Exchange.

At approximately the same time as we pay the \$2.50 per share dividend, our other executive officers may also receive one-time bonuses, as follows: Stan Mandelkern, our Vice President of Engineering, may receive \$84,033; Will Autz, our Vice President of Manufacturing, may receive \$98,083; Ari Neugroschl, our Vice President of Management Information Systems, may receive \$19,593; Zvi Raskin, our General Counsel and Secretary, may receive \$24,638; and Ronald Rosner, our Director of Finance and Administration, may receive \$21,170. Such one-time bonuses were calculated to equal the respective amounts that each of the foregoing employees would have received upon the payment of the \$2.50 per share dividend for the shares underlying their unvested or restricted employee stock options. Under the terms of Schick's 1996 Employee Stock Option Plan, unvested options may not be exercised prior to the date they vest.

Existing registration rights agreements between Schick, Greystone and Mr. Slovin have been amended to conform to the Registration Agreement that will be entered into with Luxco. Please see the section entitled "The Exchange Restrictions on Ability to Sell Schick Common Stock; Registration Agreement" under Proposal 1. Following the Exchange, Greystone, Mr. Slovin and Luxco would be able to participate in registrations effected at each other's request, and Schick would pay the expenses of such registrations, except underwriting discounts and commissions.

#### **Risk Factors (see Page 25)**

Ownership of our common stock, the transactions contemplated under the Exchange Agreement and the business to be conducted by the combined company following the Exchange involve risks which you should carefully consider before deciding whether to approve the proposals to be voted upon at the special meeting.

#### **No Appraisal Rights**

Our stockholders will not be entitled to demand appraisal of, or receive any appraisal or similar payments for, their shares in connection with the combination of Schick and Sirona.

**U.S. Federal Income Tax Consequences to Schick and Schick Stockholders (see Page 63)**

Because the Exchange will not involve an exchange of shares or securities by our stockholders (as determined immediately before the Exchange), the closing of the Exchange under the Exchange Agreement will not have material U.S. federal income tax consequences to the holders of our common stock. The U.S. federal income tax consequences of the \$2.50 per share dividend are discussed in the section entitled "The Exchange U.S. Federal Income Tax Consequences" under Proposal 1 beginning on page 63.

**Controlled Company Exemption**

If you approve Proposals 1 and 2, and the Exchange is consummated, we will become a "Controlled Company" as defined under Rule 4350(c)(5) of the listing rules of the Nasdaq National Market. As such, we will be exempt from certain corporate governance requirements of listed companies, such as the requirement that a majority of our Board consist of independent directors.

**Market Price and Dividend Data**

Our common stock is currently traded publicly on the Nasdaq National Market under the trading symbol "SCHK." Previously, from September 16, 1999 through December 20, 2005, our common stock traded on the Over-the-Counter ("OTC") Bulletin Board. On September 23, 2005, the last full trading day prior to the public announcement of the Exchange Agreement, our common stock closed at \$25.10 per share. On \_\_\_\_\_, 2006, our common stock closed at \$ \_\_\_\_\_ per share. Currently, there is no public trading market for Sirona shares.

The following table presents quarterly information on the price range of our common stock. This information indicates the high and low sale prices, as quoted in the OTC Bulletin Board through December 19, 2005, and on the Nasdaq National Market commencing December 20, 2005. These prices do not include retail markups, markdowns or commissions.

<b>Fiscal Year Ended March 31, 2006</b>	<b>High</b>	<b>Low</b>
First Quarter	\$ 22.80	\$ 16.85
Second Quarter	\$ 27.20	\$ 21.00
Third Quarter	\$ 35.50	\$ 24.10
Fourth Quarter	\$ 50.25	\$ 30.56
<b>Fiscal Year Ended March 31, 2005</b>	<b>High</b>	<b>Low</b>
First Quarter	\$ 13.95	\$ 9.65
Second Quarter	\$ 13.90	\$ 8.55
Third Quarter	\$ 16.50	\$ 9.50
Fourth Quarter	\$ 19.20	\$ 14.90

As of \_\_\_\_\_, 2006, there were approximately \_\_\_\_\_ stockholders of record of our common stock. We have never declared or paid dividends on our common stock and do not currently anticipate the payment of dividends in the foreseeable future, except for the \$2.50 per share dividend discussed elsewhere in this proxy statement, provided that the stockholders will have approved Proposals 1 and 2.

## SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL DATA

The following tables present summary historical financial data, summary unaudited pro forma condensed consolidated financial data, exchange rate data and comparative per share data.

## Summary Historical Financial Data of Schick

The following table sets forth summary historical financial data of Schick. The information presented below is derived from Schick's financial statements as of March 31, 2001, 2002, 2003, 2004 and 2005, which have been audited by Grant Thornton LLP, independent accountants, and from Schick's unaudited quarterly financial statements as of December 31, 2004 and 2005. This information is only a summary. You should read it together with Schick's historical financial statements and accompanying notes incorporated by reference into this proxy statement. Historical results are not necessarily indicative of future results.

	Nine Months ended December 31, (unaudited)		Year ended March 31,				
	2005	2004	2005	2004	2003	2002	2001
(in thousands, except per share data)							
<b>Statement of Operations Data:</b>							
Revenue, net	\$ 51,899	\$ 38,564	\$ 52,418	\$ 39,393	\$ 29,817	\$ 24,399	\$ 21,252
Total cost of sales	15,586	10,325	14,857	11,495	9,628	8,832	10,306
Gross profit	36,313	28,239	37,561	27,898	20,189	15,567	10,946
Operating expenses:							
Selling and marketing	7,028	5,222	7,107	6,118	5,911	5,291	5,314
General and administrative	5,192	4,992	6,851	6,291	5,041	4,148	4,161
Research and development	3,563	3,873	4,812	3,301	2,598	2,176	2,220
Acquisition and merger related expenses	1,392						
Termination of consulting agreement	650						
Bad debt expense (recovery)				105		(93)	(454)
Abandonment of leasehold						118	275
Total operating expenses	17,825	14,087	18,770	15,815	13,550	11,640	11,516
Income (loss) from operations	18,488	14,152	18,791	12,083	6,639	3,927	(570)
Total other income (expense)	917	288	468	109	(174)	(839)	(1,068)
Income (loss) before income taxes	19,405	14,440	19,259	12,192	6,465	3,088	(1,638)
Income tax provision (benefit)	7,360	5,757	7,187	(5,917)	(5,360)		
Net income (loss)	\$ 12,045	\$ 8,683	\$ 12,072	\$ 18,109	\$ 11,825	\$ 3,088	\$ (1,638)
Basic earnings (loss) per share	\$ 0.75	\$ 0.57	\$ 0.78	\$ 1.69	\$ 1.17	\$ 0.30	\$ (0.16)
Diluted earnings (loss) per share	\$ 0.67	\$ 0.50	\$ 0.70	\$ 1.07	\$ 0.78	\$ 0.26	\$ (0.16)
As of March 31,							
	As of December 31, 2005 (unaudited)	2005	2004	2003	2002	2001	
(in thousands)							

## Balance Sheet Data:

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	As of March 31,						
Cash and cash equivalents	\$	13,902	<del>\$ 59,723</del>	<del>\$ 20,754</del>	<del>\$ 7,100</del>	<del>\$ 1,022</del>	<del>\$ 2,107</del>
Short-term investments		35,100					
Working capital (deficiency)		60,168	47,109	27,400	9,157	1,133	(1,586)
Total assets		77,200	57,534	42,743	22,610	11,957	12,646
Long-term obligations						2,039	4,080
Total liabilities		14,309	8,285	7,715	7,747	9,057	12,835
Retained earnings (accumulated deficit)		14,369	2,324	(9,748)	(27,857)	(39,682)	(42,770)
Stockholders' equity		62,891	49,249	35,028	14,863	2,900	(189)



**Summary Historical Financial Data of Sirona**

On June 30, 2005, Luxco, a Luxembourg-based holding entity owned by funds managed by Madison Dearborn Partners, Beecken Petty O'Keefe, management and employees of Sirona, obtained control over the Sirona business. The transaction was effected by using new legal entities, Sirona Holding GmbH (formerly Blitz 05-118 GmbH) and its wholly owned subsidiary Sirona Dental Services GmbH to acquire 100% of the interest in Sirona Dental Systems Beteiligungs- und Verwaltungs GmbH, the former parent of the Sirona business, through a leveraged buy-out transaction (the "MDP Transaction").

The MDP Transaction was accounted for in accordance with Emerging Issues Task Force Issue 88-16, Basis in Leveraged Buyout Transactions ("EITF 88-16"), in a manner similar to a business combination under Statement of Financial Accounting Standard No. 141, Business Combinations ("SFAS 141"). Certain members of Sirona management who were deemed to be in the control group held equity interests in the Sirona group prior to and subsequent to the MDP Transaction (the "Continuing Shareholders"). The interests of the Continuing Shareholders have been reflected at the predecessor basis, resulting in 9.15% of each asset and liability acquired being valued at historical cost at June 30, 2005. The remaining 90.85% interest in each asset and liability was recognized at fair value at June 30, 2005.

On February 16, 2004, funds managed by EQT Northern European Private Equity Funds ("EQT"), management and employees of Sirona, obtained control over the Sirona business. The transaction was effected by using four new legal entities headed by Sirona Dental Systems Beteiligungs- und Verwaltungs GmbH to acquire 100% of the interest in Sirona Beteiligungs- und Verwaltungs GmbH, the former parent of the Sirona business, through a leveraged buy-out transaction (the "EQT Transaction"). The EQT Transaction resulted in a change in control of the Sirona business and has, therefore, been accounted for as a business combination under SFAS 141. The carrying values of the assets and liabilities were adjusted to their fair value on February 16, 2004, and the difference between the purchase price and the fair value of the net assets and liabilities was recorded as goodwill.

For further information regarding the MDP Transaction and the EQT Transaction, see Note 4 to Sirona's consolidated financial statements contained elsewhere in this proxy statement.

Sirona Beteiligungs- und Verwaltungsgesellschaft mbH is referred to as "Predecessor 1" for the periods from October 1, 2002 to September 30, 2003 and from October 1, 2003 to February 16, 2004. Sirona Dental Systems Beteiligungs- und Verwaltungs GmbH is referred to as "Predecessor 2" as of September 30, 2004 and for the periods from February 17, 2004 to September 30, 2004 and from October 1, 2004 to June 30, 2005 and the interim period from October 1, 2004 to December 31, 2004. Sirona Holding GmbH is referred to as "Successor" as of September 30, 2005 and for the interim period from July 1, 2005 to September 30, 2005 and the interim period from October 1, 2005 to December 31, 2005.

The historical consolidated financial data is derived from the consolidated financial statements and accompanying notes and the unaudited consolidated interim financial statements and accompanying notes of Sirona and its predecessors contained elsewhere in this proxy statement. In connection with the Exchange, Sirona has converted its financial statements prepared in accordance with generally accepted accounting principles in Germany ("German GAAP") to financial statements prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") for financial reporting purposes.

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The selected historical consolidated financial data of Sirona included below and elsewhere in this proxy statement are not necessarily indicative of future performance. This information is only a summary and should be read in conjunction with the sections entitled "Selected Unaudited Pro Forma Condensed Consolidated Financial Data of Schick and Sirona," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Sirona" and Sirona's consolidated financial statements and accompanying notes contained elsewhere in this proxy statement.

Successor	Predecessor 2	Successor	Predecessor 2	Predecessor 1			
		Fiscal Year 2005		Fiscal Year 2004		Fiscal Year 2003	
Three Months ended December 31, 2005 (Restated)(1) (unaudited)	Three Months ended December 31, 2004 (unaudited)	July 1, 2005 to September 30, 2005	October 1, 2004 to June 30, 2005	February 17, 2004 to September 30, 2004	October 1, 2003 to February 16, 2004	Year ended September 30, 2003	

(U.S. \$ in thousands)

**Statement of Operations  
Data:**

Revenue	\$ 135,882	\$ 131,528	\$ 105,071	\$ 358,285	\$ 229,216	\$ 158,601	\$ 306,190
Cost of sales	69,664	72,458	71,614	199,463	152,938	76,947	165,073
Gross profit	66,218	59,070	33,457	158,822	76,278	81,654	141,117
Operating expenses (income):							
Selling, general and administrative expense	32,303	30,477	34,544	93,236	65,424	33,454	65,787
Research and development	6,947	7,131	7,863	21,700	16,594	8,575	19,832
Provision for doubtful accounts and notes receivables	(140)	(141)	(192)	(127)	(846)	368	(387)
Write off of in-process research and development			33,796		20,217		
Other operating expense (income), net	608	647	(5,367)	2,877	(428)	82	1,702
Operating income	26,500	20,956	(37,187)	41,136	(24,683)	39,175	54,183
Non-operating expense (income), net	20,687	(4,266)	14,650	24,516	21,423	5,425	14,277
Income (loss) before income taxes and minority interest	5,813	25,222	(51,837)	16,620	(46,106)	33,750	39,906
Income tax provision (benefit)	2,504	6,956	(5,796)	5,444	(11,748)	13,181	15,330
Minority interest	(1)		(6)	50			
Net income (loss)	\$ 3,310	\$ 18,266	\$ (46,035)	\$ 11,126	\$ (34,358)	\$ 20,569	\$ 24,576

Predecessor 2

Successor

As of  
December 31, 2005  
(Restated)(1)  
(unaudited)

As of  
September 30, 2005

As of  
September 30, 2004

(U.S. \$ in thousands)

**Balance Sheet Data: (at end of period)**

Cash and cash equivalents	\$	49,112	\$	65,941	\$	38,877
Working capital(1)		76,480		98,646		41,776
Total assets		1,181,460		1,238,675		762,985
Long-term obligations		1,054,987		1,111,158		631,846
Total liabilities		1,151,966		1,211,941		745,709
Accumulated deficit		(44,851)		(48,161)		(34,358)
Shareholders' equity		29,451		26,692		17,276

(1) Please see footnote 1 on page F-6.

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Successor	Predecessor 2	Successor	Predecessor 2	Predecessor 1		
		Fiscal Year 2005		Fiscal Year 2004		Fiscal Year 2003
Three Months ended December 31, 2005 (Restated) (unaudited)	Three Months ended December 31, 2004 (unaudited)	July 1, 2005 to September 30, 2005	October 1, 2004 to June 30, 2005	February 17, 2004 to September 30, 2004	October 1, 2003 to February 16, 2004	Year ended September 30, 2003

(U.S. \$ in thousands)

**Cash Flow Data:**

Cash flows provided by (used in):

Operating activities	\$ 20,930	\$ 22,803	\$ 137,403	\$ 54,806	\$ 37,456	\$ 28,258	\$ 63,285
Investing activities	(2,229)	(30,020)	(559,998)	(37,408)	(374,425)	(4,598)	(21,538)
Financing activities	(36,153)		448,847	(14,624)	310,633	(11,588)	(21,269)

**Other Financial Data:**

EBITDA(2)	\$ 35,399	\$ 48,749	\$ (25,352)	\$ 83,499	\$ 1,010	\$ 45,572	\$ 65,266
Transaction related costs and non-cash charges included in EBITDA(3)	4,058	(14,295)	45,197	3,878	37,328	91	
Infrequent items included in EBITDA(4)					151	7	2,056

(1) Working capital is defined as current assets less current liabilities.

(2) EBITDA is defined as net income (loss) before interest, taxes, depreciation and amortization. Sirona believes that EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate companies in its industry. EBITDA is not a recognized term under U.S. GAAP, should not be viewed in isolation and does not purport to be an alternative to net income (loss) as an indicator of operating performance or an alternative to cash flows from operating activities as a measure of liquidity. There are material limitations associated with making the adjustments to Sirona's earnings to calculate EBITDA and using this non-U.S. GAAP financial measure as compared to the most directly comparable U.S. GAAP financial measure. For instance, EBITDA does not include:

interest expense, and because Sirona has borrowed money in order to finance its operations, interest expense is a necessary element of its costs and ability to generate revenue;

depreciation and amortization expense, and because Sirona uses capital assets, depreciation and amortization expense is a necessary element of its costs and ability to generate revenue; and

tax expense, and because the payment of taxes is part of Sirona's operations, tax expense is a necessary element of costs and impacts Sirona's ability to operate.

Additionally, EBITDA is not intended to be a measure of cash flow for Sirona's discretionary use, as it does not consider certain cash requirements, such as capital expenditures, contractual commitments, interest payments, tax payments and debt service requirements. Sirona compensates for these limitations by relying primarily on its GAAP results and using EBITDA only supplementally. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to other similarly titled measures for other companies.

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Set forth below is a reconciliation of net income (loss) to EBITDA:

	Successor	Predecessor 2	Successor	Predecessor 2	Predecessor 1		
			Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003		
	Three Months ended December 31, 2005 (Restated) (unaudited)	Three Months ended December 31, 2004 (unaudited)	July 1, 2005 to September 30, 2005	October 1, 2004 to June 30, 2005	February 17, 2004 to September 30, 2004	October 1, 2003 to February 16, 2004	Year ended September 30, 2003
(U.S. \$ in thousands)							
Net income (loss)	\$ 3,310	\$ 18,266	\$ (46,035)	\$ 11,126	\$ (34,358)	\$ 20,569	\$ 24,576
Net interest expense	15,455	8,014	11,087	22,774	14,413	5,292	11,473
Provision (benefit) for income taxes	2,504	6,956	(5,796)	5,444	(11,748)	13,181	15,330
Depreciation	2,946	4,085	3,454	12,738	9,393	4,501	9,066
Amortization	11,184	11,428	11,938	31,417	23,310	2,029	4,821
<b>EBITDA</b>	<b>\$ 35,399</b>	<b>\$ 48,749</b>	<b>\$ (25,352)</b>	<b>\$ 83,499</b>	<b>\$ 1,010</b>	<b>\$ 45,572</b>	<b>\$ 65,266</b>

(3)

Transaction related costs and non-cash charges for Sirona are further detailed in the following table:

	Successor	Predecessor 2	Successor	Predecessor 2	Predecessor 1		
			Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003		
	Three Months ended December 31, 2005 (unaudited)	Three Months ended December 31, 2004 (unaudited)	July 1, 2005 to September 30, 2005	October 1, 2004 to June 30, 2005	February 17, 2004 to September 30, 2004	October 1, 2003 to February 16, 2004	Year ended September 30, 2003
(U.S. \$ in thousands)							
Transaction related costs(a)	\$ 220	\$	\$ 1,592	\$ 35	\$ 182	\$ 91	\$
Non-cash charges(b)	3,838	(14,295)	43,605	3,843	37,146		
<b>Total</b>	<b>\$ 4,058</b>	<b>\$ (14,295)</b>	<b>\$ 45,197</b>	<b>\$ 3,878</b>	<b>\$ 37,328</b>	<b>\$ 91</b>	<b>\$</b>

(a)

Transaction related costs were incurred in connection with the EQT Transaction and the MDP Transaction.

(b)

Represents (1) the amounts related to the fair value increases in inventory and in-process research and development resulting from the EQT Transaction and the MDP Transaction, and (2) the foreign exchange (gain) loss on bank debt resulting from transaction adjustments to the carrying value of a portion of Sirona's U.S. dollar denominated debt due to currency fluctuations.

- (4) Infrequent items relate to restructuring programs implemented in fiscal year 2003 and carried out during fiscal years 2003 and 2004.

#### **Debt Covenant Compliance**

The loan agreements governing Sirona's bank indebtedness contain numerous financial covenants that impose operating and financial restrictions on the company. Certain covenants contained in the bank loan agreements require Sirona to maintain increasing ratios of Adjusted EBITDA to consolidated net finance charges and decreasing ratios of consolidated total net debt to Adjusted EBITDA. Adjusted EBITDA is defined in the loan agreements and is determined based on German GAAP EBITDA, measured in Euros. Adjusted EBITDA is further adjusted to exclude items treated as exceptional or extraordinary, including costs incurred in connection with an acquisition, amortization of acquisition costs or of intangible assets, depreciation of fixed assets, unrealized gains or losses with respect to bank debt denominated in dollars that has not resulted in cash payments or receipts, and interest costs incurred in connection with pension plans and excluding any amounts received for the exclusive right to sell its CEREC systems in the United States and Canada and costs for the conversion of Sirona's financial statements from German GAAP to U.S. GAAP.

Sirona believes the most restrictive of those covenants are the requirements to maintain at December 31, 2005 both a ratio of Adjusted EBITDA to consolidated net finance charges of at least 1.80:1.00 and a ratio of consolidated total net debt to Adjusted EBITDA of no more than 7.95:1.00. Additional covenants (1) limit Sirona's ability to effect business acquisitions and (2) may require loan prepayments from cash flow (as defined in the loan agreements), in either case depending upon the level of Adjusted EBITDA. These covenants may limit Sirona's long-term growth prospects by hindering its ability to incur future indebtedness or grow through acquisitions. Failure to comply with these covenants would result in a default under the terms of the loan agreements and result in the acceleration of Sirona's indebtedness. For 2005, the ratio of adjusted EBITDA to consolidated net finance charges was €93.9 million: €27.6 million, or 3.40:1.00, and the ratio of consolidated total net debt to Adjusted EBITDA was €421.8 million: €93.9 million, or 4.49:1.00.

Consolidated net finance charges include interest expense, net, as defined under German GAAP for the senior credit facility and the portion of the interest on the mezzanine facility that is payable at the end of each interest period. It does not include accreted interest on the mezzanine loan which will not be paid until the end of term or any interest on the Shareholder Loan. Interest expense under German GAAP differs from interest expense under U.S. GAAP mainly with regard to the treatment of financing expenses. Sirona calculated its consolidated net finance charges for 2005 on an annual basis by multiplying the consolidated net finance charges for the six months ended December 31, 2005 by two, in accordance with the terms of its loan agreements. The following is a calculation of consolidated net finance charges for 2005:

	July 1 September 30, 2005	October 1 December 31, 2005	Six Months Ended December 31, 2005
	(in thousands)		
Interest expense, net in accordance with U.S. GAAP in \$	\$ (11,087)	\$ (15,455)	\$ (26,542)
Exchange rate applied	1.2127	1.1897	
Interest expense, net in accordance with U.S. GAAP in Euros	€(9,142)	€(12,991)	€(22,133)
U.S. GAAP to German GAAP differences	(1,195)	1,677	482
Less: Accreted interest on mezzanine loan and Shareholder Loan	3,659	4,190	7,849
Consolidated net finance charges	€ (6,678)	€ 7,124	€ 13,802
Annualized consolidated net finance charges			€ 27,604

Consolidated total net debt includes the principal and accrued and accreted interest on the senior credit and mezzanine facilities and outstanding balances of revolving credit lines, less unrestricted cash and cash equivalents, adjusted for bank guarantees.

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The following is a calculation of consolidated total net debt as of December 31, 2005.

		As of December 31, 2005	
		Consolidated Total Net Debt	Cash and Cash Equivalents
		(in thousands)	
Long-term debt including current portion and accrued interest under U.S. GAAP	\$	(547,143)	
Exchange rate applied		1.1834	
Long-term debt including current portion and accrued interest under U.S. GAAP in Euros	€	(462,350)	
Less: Cash and cash equivalents (as reconciled to U.S. GAAP below)	€	40,563	€ 40,563
<b>Reconciliation to U.S. GAAP:</b>			
Plus: Bank guarantees in Euros			€ 1,860
Less: Restricted cash and restricted short term investments in Euros			(922)
Cash and cash equivalents in U.S. GAAP in Euros			€ 41,501
Exchange rate applied			1.1834
Cash and cash equivalents in U.S. GAAP in US\$			\$ 49,112
Consolidated total net debt	€	(421,787)	

Set forth below is a reconciliation of EBITDA to Adjusted EBITDA. Sirona believes that the inclusion of this measure is appropriate to provide additional information to investors to demonstrate compliance with Sirona's financial covenants and assess Sirona's ability to make acquisitions in the future. Adjusted EBITDA, consolidated net finance charges and consolidated total net debt are not defined terms under U.S. GAAP. Adjusted EBITDA should not be considered an alternative to operating income or net income as a measure of operating results or an alternative to cash flows as a measure of liquidity. Consolidated net finance charges and consolidated total net debt should not be considered as alternatives to interest expense and debt.

	Successor	Predecessor 2	Successor	Predecessor 2	Predecessor 1		
			Fiscal Year 2005		Fiscal Year 2004		Fiscal Year 2003
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(U.S. \$ in thousands)							
EBITDA	\$ 35,399	\$ 48,749	\$ (25,352)	\$ 83,499	\$ 1,010	\$ 45,572	\$ 65,266
Transaction related costs and non-cash charges included in EBITDA(a)	4,058	(14,295)	45,197	3,878	37,328	91	2,056
					151	7	



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	Successor		Predecessor 2		Predecessor 1	
Infrequent items included in EBITDA(a)						
Minority interest(a)	(1)		(6)	50		
Transaction costs for failed acquisitions(a)			(81)	242	374	298
Pension interest expense(a)	460	606	476	1,563	1,105	792
U.S. GAAP to German GAAP adjustments(b)	103	(3,733)	964	(4,106)	1,872	(1,701)
Adjusted EBITDA	\$ 40,019	\$ 31,327	\$ 21,198	\$ 85,126	\$ 41,840	\$ 45,059
						\$ 65,706