

TUTOGEN MEDICAL INC
Form DEFM14A
January 23, 2008
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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

Tutogen Medical, Inc.

(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)(1) and 0-11.

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

(2) Aggregate number of securities to which the 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:

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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:

\$8,322

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

Amendment No. 1 to Registration Statement on Form S-4; Registration No. 333-148305

(3) Filing Party:

Regeneration Technologies, Inc.

(4) Date Filed:

January 22, 2008

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PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

Each of the boards of directors of Regeneration Technologies, Inc. and Tutogen Medical, Inc. has approved a strategic merger, combining Regeneration Technologies and Tutogen. We believe that the combined company will be better positioned to compete in the marketplace for sterile biologic implants.

Tutogen and Regeneration Technologies have entered into an agreement and plan of merger pursuant to which Tutogen and Regeneration Technologies will combine their businesses through the merger of Tutogen with a newly formed, wholly-owned subsidiary of Regeneration Technologies, with Tutogen becoming a wholly-owned subsidiary of Regeneration Technologies.

In the proposed merger, Tutogen stockholders will receive 1.22 shares of Regeneration Technologies common stock for each share of Tutogen common stock. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing. Regeneration Technologies stockholders will continue to own their existing shares, which will not be affected by the merger. Based upon the number of shares outstanding on the date of the Merger Agreement, Tutogen's former stockholders will own approximately 45% of the then-outstanding Regeneration Technologies common stock on a fully-diluted basis upon completion of the merger. The value of the merger consideration to be received in exchange for each share of Tutogen common stock will fluctuate with the market price of Regeneration Technologies common stock.

Based on the closing sale price for Regeneration Technologies common stock on November 12, 2007, the last trading day before public announcement of the merger, the 1.22 exchange ratio represented approximately \$12.86 in value for each share of Tutogen common stock. Based on the closing sale price for Regeneration Technologies common stock on January 22, 2008, the latest practicable date before the printing of this joint proxy statement/prospectus, which we refer to as this Proxy Statement, the 1.22 exchange ratio represented approximately \$9.16 in value for each share of Tutogen common stock.

Regeneration Technologies common stock is listed on the Nasdaq Global Market under the symbol RTIX. Tutogen common stock is listed on the American Stock Exchange under the symbol TTG. We urge you to obtain current market quotations for the shares of Regeneration Technologies and Tutogen.

Your vote is very important. The merger cannot be completed unless Regeneration Technologies stockholders approve the amendment and restatement of the Regeneration Technologies certificate of incorporation and the issuance of Regeneration Technologies capital stock in the merger, and Tutogen stockholders adopt the merger agreement. Each of Tutogen and Regeneration Technologies is holding a special meeting of its stockholders to vote on the proposals necessary to complete the merger. Information about these meetings, the merger and the other business to be considered by stockholders is contained in this Proxy Statement. We urge you to read this Proxy Statement carefully. **You should also carefully consider the risk factors beginning on page 17.**

Whether or not you plan to attend your respective company's special meeting of stockholders, please submit your proxy as soon as possible to make sure that your shares are represented at that meeting.

The Regeneration Technologies board of directors recommends that Regeneration Technologies stockholders vote FOR the proposals to approve the amendment and restatement of the Regeneration Technologies certificate of incorporation and the issuance of Regeneration Technologies capital stock in the merger, both of which are necessary to effect the merger.

The Tutogen board of directors recommends that Tutogen stockholders vote FOR the proposal to adopt the merger agreement.

BRIAN K. HUTCHISON
Chief Executive Officer
Regeneration Technologies, Inc.

GUY L. MAYER
Chief Executive Officer
Tutogen Medical, Inc.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this Proxy Statement is accurate or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated January 23, 2008, and is first being mailed to stockholders of Tutogen and Regeneration Technologies on or about January 24, 2008.

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ADDITIONAL INFORMATION

This Proxy Statement incorporates by reference important business and financial information about Regeneration Technologies and Tutogen from other documents that are not included in or delivered with this Proxy Statement. For a listing of the documents incorporated by reference into this Proxy Statement, see [Where You Can Find More Information](#) . This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this document through the Securities and Exchange Commission website at www.sec.gov or by requesting them in writing or by telephone at the appropriate address below:

By Mail: Regeneration Technologies, Inc.
11621 Research Circle
Alachua, FL 32615
Attention: Thomas F. Rose

By Telephone: (386) 418-8888

By Mail: Tutogen Medical, Inc.
13709 Progress Blvd.
Alachua, FL 32615
Attention: L. Robert Johnston, Jr.

By Telephone: (386) 462-0402

You may also obtain documents incorporated by reference into this Proxy Statement by requesting them in writing or by telephone from Georgeson, Inc., proxy solicitor for Regeneration Technologies and Tutogen, at the following address and telephone numbers:

By Mail: Georgeson, Inc.
199 Water Street, 26th Floor
New York, NY 10038

By Telephone: (800) 849-5307 (toll free)
(212) 440-9800 (collect)

You can make your request for these documents up to the meeting date.

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REGENERATION TECHNOLOGIES, INC.

11621 RESEARCH CIRCLE

ALACHUA, FL 32615

(386) 418-8888

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON WEDNESDAY, FEBRUARY 27, 2008

To the Stockholders of Regeneration Technologies, Inc.:

A special meeting of stockholders of Regeneration Technologies, Inc. will be held on February 27, 2008 at 9:00 a.m., local time, at its headquarters at 11621 Research Circle, Alachua, Florida for the following purposes:

1. To amend and restate the Regeneration Technologies certificate of incorporation (a) to increase the number of authorized shares of Regeneration Technologies common stock, par value \$0.001 per share, from 50,000,000 to 150,000,000 and (b) to change the name of Regeneration Technologies to RTI Biologics, Inc. (the Charter Amendment).
2. To approve the issuance of Regeneration Technologies common stock to former stockholders of Tutogen Medical, Inc. pursuant to the Agreement and Plan of Merger, dated as of November 12, 2007, by and among Regeneration Technologies, Inc., Rockets FL Corp. and Tutogen Medical, Inc., as the same may be amended from time to time (the Share Issuance).
3. To approve any motion to adjourn or postpone the special meeting to a later date or dates, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting.
4. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Proposals 1 and 2 are conditioned on each other and approval of each is required for completion of the merger.

The accompanying Proxy Statement further describes the matters to be considered at the meeting. A copy of the merger agreement has been included as Annex A to the Proxy Statement.

The Regeneration Technologies board of directors has set January 16, 2008 as the record date for the special meeting. Only holders of record of Regeneration Technologies common stock at the close of business on the record date will be entitled to notice of and to vote at the special meeting and any adjournments or postponements thereof. Any stockholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of Regeneration Technologies common stock. **To ensure your representation at the special meeting, please complete and return the enclosed proxy card.** Please vote promptly whether or not you expect to attend the special meeting. Submitting a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote.

The Regeneration Technologies board of directors recommends that you vote FOR the proposals to amend and restate the Regeneration Technologies certificate of incorporation, FOR the proposal to approve the issuance of Regeneration Technologies common stock in the merger and FOR the proposal to approve any motion to adjourn or postpone the special meeting to a later date or dates if necessary to solicit additional proxies.

By Order of the Board of Directors,
THOMAS F. ROSE
Secretary

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Alachua, Florida

January 23, 2008

PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CONTACT GEORGESON, INC. AT (800) 849-5307 (TOLL FREE) OR (212) 440-9800 (COLLECT).

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TUTOGEN MEDICAL, INC.

13709 PROGRESS BLVD.

ALACHUA, FL 32615

(386) 462-0402

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON WEDNESDAY, FEBRUARY 27, 2008

To the Stockholders of Tutogen Medical, Inc.:

A special meeting of stockholders of Tutogen Medical, Inc. will be held on February 27, 2008 at 9:00 a.m., local time, at its headquarters at 13709 Progress Boulevard, Alachua, Florida for the following purposes:

1. To adopt the Agreement and Plan of Merger, dated as of November 12, 2007, by and among Regeneration Technologies, Inc., Rockets FL Corp. and Tutogen Medical, Inc., as the same may be amended from time to time.
2. To approve any motion to adjourn or postpone the special meeting to a later date or dates, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.
3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The accompanying Proxy Statement further describes the matters to be considered at the special meeting. A copy of the merger agreement has been included as Annex A to the Proxy Statement.

The Tutogen board of directors has set January 22, 2008 as the record date for the special meeting. Only holders of record of shares of Tutogen common stock at the close of business on the record date will be entitled to notice of and to vote at the special meeting and any adjournments or postponements thereof. **To ensure your representation at the special meeting, please complete and return the enclosed proxy card.** Please vote promptly whether or not you expect to attend the special meeting. Submitting a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote.

The board of directors of Tutogen recommends that you vote FOR the proposal to adopt the merger agreement and FOR the proposal to approve any motion to adjourn or postpone the special meeting to a later date or dates if necessary to solicit additional proxies.

By Order of the Board of Directors,

ROY D. CROWNINSHIELD
Chairman of the Board
Alachua, Florida

January 23, 2008

PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CONTACT GEORGESON, INC. AT (800) 849-5307 (TOLL FREE) OR (212) 440-9800 (COLLECT).

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- Annex A Merger Agreement
- Annex B Form of Amended and Restated Certificate of Incorporation
- Annex C Opinion of Lehman Brothers Inc.
- Annex D Opinion of Cowen and Company, LLC

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QUESTIONS AND ANSWERS ABOUT THE MEETINGS

The following questions and answers briefly address some commonly asked questions about the Regeneration Technologies and Tutogen special meetings. They may not include all the information that is important to stockholders of Tutogen and Regeneration Technologies. We urge stockholders to read carefully this entire Proxy Statement, including the annexes and the other documents referred to herein.

Q: Why am I receiving these materials?

A: We are sending you these materials to help you decide how to vote your shares of Tutogen or Regeneration Technologies stock with respect to the proposed merger.

The merger cannot be completed unless Tutogen stockholders adopt the merger agreement, and Regeneration Technologies stockholders approve the amendment and restatement of the Regeneration Technologies certificate of incorporation and the issuance of Regeneration Technologies capital stock in the merger. Each of Regeneration Technologies and Tutogen is holding its special meeting of stockholders to vote on the proposals necessary to complete the merger. Information about these meetings, the merger and the other business to be considered by stockholders is contained in this Proxy Statement.

We are delivering this document to you as both a joint proxy statement of Tutogen and Regeneration Technologies and a prospectus of Regeneration Technologies. It is a joint proxy statement because each of our boards of directors is soliciting proxies from its stockholders. It is a prospectus because Regeneration Technologies will exchange shares of its common stock for shares of Tutogen in the merger.

Q: What will stockholders receive in the merger?

A: In the proposed merger, holders of Tutogen common stock will receive 1.22 shares of Regeneration Technologies common stock for each share of Tutogen common stock. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing. Regeneration Technologies stockholders will continue to own their existing shares, which will not be affected by the merger.

Q: When do Tutogen and Regeneration Technologies expect to complete the merger?

A: Tutogen and Regeneration Technologies expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including the conditions that stockholder approvals are received at the special meetings of stockholders of Tutogen and Regeneration Technologies, and all required regulatory approvals are received. Regeneration Technologies and Tutogen currently expect to complete the merger in late February, 2008. However, it is possible that factors outside of either company's control could require Regeneration Technologies or Tutogen to complete the merger at a later time or not to complete it at all.

Q: How do the boards of directors of Regeneration Technologies and Tutogen recommend that I vote?

A: The Regeneration Technologies board of directors recommends that holders of Regeneration Technologies common stock vote FOR each of the proposals relating to the proposed merger.

The Tutogen board of directors recommends that Tutogen stockholders vote FOR the proposal to adopt the merger agreement.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this Proxy Statement, please vote your shares as soon as possible so that your shares will be represented at your respective company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

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Q: How do I vote?

A: You may vote before your company's special meeting by completing, signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope.

You may also cast your vote in person at your company's special meeting.

If your shares are held in street name, through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. If you wish to vote at the meeting and your shares are held in street name, you will need to obtain a proxy form from the institution that holds your shares.

Q: When and where are the Regeneration Technologies and Tutogen special meetings of stockholders?

A: The special meeting of Regeneration Technologies stockholders will be held at its headquarters at 11621 Research Circle, Alachua, Florida at 9:00 a.m., local time, on February 27, 2008. Subject to space availability, all stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:30 a.m., local time.

The special meeting of Tutogen stockholders will be held at its headquarters at 13709 Progress Boulevard, Alachua, Florida at 9:00 a.m., local time, on February 27, 2008. Subject to space availability, all stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:30 a.m., local time.

Q: If my shares are held in street name by a broker or other nominee, will my broker or nominee vote my shares for me?

A: Your broker or other nominee does not have authority to vote on the proposals described in this Proxy Statement. Your broker or other nominee will vote your shares held by it in street name with respect to these matters ONLY if you provide instructions to it on how to vote. You should follow the directions your broker or other nominee provides.

Q: What constitutes a quorum?

Stockholders who hold a majority of the shares of the Regeneration Technologies common stock issued and outstanding as of the close of business on the record date and who are entitled to vote must be present in person or represented by proxy in order to constitute a quorum to conduct business at the Regeneration Technologies special meeting.

Stockholders who hold a majority in voting power of the Tutogen common stock issued and outstanding as of the close of business on the record date and who are entitled to vote must be present in person or represented by proxy in order to constitute a quorum to conduct business at the Tutogen special meeting.

Q: What vote is required to approve each proposal?

A: To amend and restate the certificate of incorporation of Regeneration Technologies: the affirmative vote of a majority of the outstanding shares of common stock of Regeneration Technologies entitled to vote is required to approve the amendment and restatement of the certificate of incorporation to increase the authorized number of shares of common stock and change the name of Regeneration Technologies to RTI Biologics, Inc., which is referred to in this Proxy Statement as the Charter Amendment.

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To issue Regeneration Technologies common stock in the merger: the affirmative vote of a majority of the Regeneration Technologies shares voting on the proposal is required to approve the issuance of Regeneration Technologies common stock in the merger, which is referred to in this Proxy Statement as the Share Issuance.

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To approve the merger agreement: the affirmative vote of a majority of the outstanding shares of Tutogen common stock entitled to vote is required to approve the merger agreement, which is referred to in this Proxy Statement as the Merger Proposal.

Q: What if I do not vote on the matters relating to the merger?

A: If you are a Regeneration Technologies stockholder and you fail to vote or fail to instruct your broker or other nominee how to vote on the Charter Amendment, your failure to vote will have the same effect as a vote against the Charter Amendment. If you respond with an abstain vote, your proxy will have the same effect as a vote against this proposal. If you respond but do not indicate how you want to vote on the Charter Amendment, your proxy will be counted as a vote in favor of the Charter Amendment.

If you are a Regeneration Technologies stockholder and you fail to vote or fail to instruct your broker or other nominee how to vote on the Share Issuance, it will have no effect on the outcome of the vote for this proposal. Similarly, if you respond with an abstain vote, your proxy will have no effect on the outcome of the vote for this proposal. If you respond but do not indicate how you want to vote on the Share Issuance, your proxy will be counted as a vote in favor of the Share Issuance.

The approval of the Charter Amendment and the Share Issuance are conditioned on each other, and approval of each is required for completion of the merger.

If you are a Tutogen stockholder and you fail to vote or fail to instruct your broker or other nominee how to vote on the Merger Proposal, it will have the same effect as a vote against the Merger Proposal. If you respond with an abstain vote on the Merger Proposal, your proxy will have the same effect as a vote against the Merger Proposal. If you respond but do not indicate how you want to vote on the Merger Proposal, your proxy will be counted as a vote in favor of the Merger Proposal.

Q: What if I hold shares in both Tutogen and Regeneration Technologies?

A: If you are a stockholder of both Tutogen and Regeneration Technologies, you will receive two separate packages of proxy materials. A vote as a Tutogen stockholder for the Merger Proposal will not constitute a vote as a Regeneration Technologies stockholder for the Charter Amendment or the Share Issuance, or vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Tutogen or Regeneration Technologies, or vote as both a Tutogen and Regeneration Technologies stockholder by internet or telephone.

Q: May I change my vote after I have delivered my proxy or voting instruction card?

A: Yes. You may change your vote at any time before your proxy is voted at your special meeting. You may do this in one of four ways:

by sending a notice of revocation to the corporate secretary of Regeneration Technologies or Tutogen, as applicable;

by sending a completed proxy card bearing a later date than your original proxy card; or

by attending your special meeting and voting in person. Your attendance alone will not revoke any proxy.

If you choose any of the first three methods, you must take the described action no later than the beginning of the applicable special meeting.

If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

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Q: What are the material U.S. federal income tax consequences of the merger?

A: Regeneration Technologies and Tutogen intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, which we refer to as the Code, for U.S. federal income tax purposes. Accordingly, a holder of Tutogen common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of Tutogen common stock for shares of Regeneration Technologies common stock pursuant to the merger.

Tax matters are very complicated, and the tax consequences of the merger to a particular holder of Tutogen common stock will depend in part on such holder's circumstances. Accordingly, Tutogen and Regeneration Technologies urge you to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local, and foreign income tax and other laws that may apply to your particular situation. For more information, please see the section entitled "Material U.S. Federal Income Tax Consequences" beginning on page 55.

Q: Do I have appraisal rights?

A: Holders of Tutogen common stock or Regeneration Technologies common stock will not be entitled to exercise any appraisal rights in connection with the merger.

Q: Should I send in my stock certificates now?

A: No. Please do not send your stock certificates with your proxy card.

If you are a holder of Tutogen common stock, you will receive written instructions from the exchange agent after the merger is completed on how to exchange your stock certificates for Regeneration Technologies common stock. Regeneration Technologies stockholders will not be required to exchange their stock certificates in connection with the merger. Regeneration Technologies stockholders holding stock certificates should keep their stock certificates both now and after the merger is completed.

Q: What if I hold Tutogen and Regeneration Technologies stock options or other stock-based awards?

A: Regeneration Technologies stock options and other equity-based awards, including restricted stock units, will remain outstanding and will not be affected by the merger.

Each outstanding Tutogen employee stock option will become fully vested and will be assumed by Regeneration Technologies in the merger on terms substantially identical to those in effect immediately prior to the completion of the merger, and those options will be adjusted to entitle the holder to receive Regeneration Technologies common stock. The number of shares issuable under those options and the exercise prices for those options will be adjusted based on the exchange ratio.

Q: Whom should I contact if I have any questions about the proxy materials or voting power?

A: If you have any questions about the merger or if you need assistance in submitting your proxy or voting your shares or need additional copies of this Proxy Statement or the enclosed proxy card, you should contact Georgeson, Inc., the proxy solicitation agent for Regeneration Technologies and Tutogen, if you hold your shares in your own name. If your shares are held in a stock brokerage account or by a bank or other nominee, you should call your broker or other nominee for additional information.

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SUMMARY

This summary highlights selected information contained in this joint proxy statement/prospectus, referred to as this Proxy Statement, and does not contain all the information that may be important to you. Regeneration Technologies and Tutogen urge you to read this Proxy Statement carefully in its entirety, as well as the annexes. Important additional information is also contained in the documents incorporated by reference into this Proxy Statement; see Where You Can Find More Information beginning on page 107. Unless stated otherwise, all references in this Proxy Statement to Regeneration Technologies are to Regeneration Technologies, Inc., all references to Tutogen are to Tutogen Medical, Inc. and all references to the merger agreement are to the Agreement and Plan of Merger, dated as of November 12, 2007, by and among Regeneration Technologies, Rockets FL Corp. and Tutogen, a copy of which is attached as Annex A to this Proxy Statement.

The Merger

Each of the boards of directors of Tutogen and Regeneration Technologies has approved a strategic merger, combining the businesses of Tutogen and Regeneration Technologies. Regeneration Technologies and Tutogen have entered into an agreement and plan of merger pursuant to which a newly formed, wholly-owned subsidiary of Regeneration Technologies will merge with and into Tutogen, with Tutogen becoming a wholly-owned subsidiary of Regeneration Technologies. The combined company will be named RTI Biologics, Inc. In the proposed merger, Tutogen stockholders will receive 1.22 shares of Regeneration Technologies common stock for each share of Tutogen common stock. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing. Stockholders of Regeneration Technologies will continue to own their existing shares, which will not be affected by the merger.

The Parties

Regeneration Technologies

Regeneration Technologies is a leader in the use of natural tissues and innovative technologies to produce orthopedic and other surgical implants that repair and promote the natural healing of human bone and other human tissues and improve surgical outcomes. Regeneration Technologies processes tissues using its patented BioCleanse[®] process, a validated, Food and Drug Administration (FDA)-reviewed, tissue sterilization process. Regeneration Technologies provides a comprehensive portfolio of natural tissue products in a broad range of markets. Regeneration Technologies separates its implants into five primary product lines: spinal constructs, sports medicine, bone graft substitutes, cardiovascular and general orthopedic revenues applications.

For the year ended December 31, 2006, Regeneration Technologies had revenues of \$73.9 million and a net loss of \$11.1 million. For the nine months ended September 30, 2007, Regeneration Technologies had revenues of \$68.7 million and net income of \$507,000.

As of the date of this Proxy Statement, Regeneration Technologies is in the process of completing the closing procedures for its financial statements for the year ended December 31, 2007. Regeneration Technologies anticipates that it will report the 2007 results during the first week of February, 2008. Based on preliminary information, Regeneration Technologies anticipates that it may write down all or a substantial part of the value of two assets, an equity interest in Organ Recovery Systems, Inc., currently valued at \$1.2 million, that may be substantially impaired as of December 31, 2007, and a leased facility currently held for sale in Birmingham, Alabama with a net book value of \$3.2 million. See Risk Factors The value of Regeneration Technologies current investment in Organ Recovery Systems, Inc. is dependent on the financial success of this venture and Risk Factors The value of Regeneration Technologies current investment in Assets Held For Sale is dependent upon finding a party to lease or purchase its vacant processing facility in Birmingham, Alabama.

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Regeneration Technologies was incorporated in the State of Delaware on April 25, 2000. Regeneration Technologies' principal offices are located at 11621 Research Circle, Alachua, Florida 32615, and its telephone number is (386) 418-8888.

Tutogen

Tutogen Medical, Inc., with its consolidated subsidiaries, processes, manufactures and distributes specialty surgical products and performs tissue processing services for dental, spine, urology, hernia repair, breast reconstruction, ophthalmology, and ear, nose and throat applications. Tutogen's core business is processing human donor tissue, utilizing its patented TUTOPLAS^T process, for distribution to hospitals and surgeons. Tutogen processes tissues at its two manufacturing facilities located in Germany and the United States and distributes its products and services in over 20 countries worldwide.

For the year ended September 30, 2007, Tutogen had revenues of \$53.8 million and net income of \$6.8 million. There have been no material changes in the affairs of Tutogen since September 30, 2007 that have not been described in a report on Form 10-Q or Form 8-K.

Tutogen, a Florida corporation, was formed in 1985. Tutogen's principal offices are located at 13709 Progressive Blvd., Alachua, Florida 32615, and its telephone number is (386) 462-0402.

Merger Sub

Rockets FL Corp., or the Merger Sub, a wholly-owned subsidiary of Regeneration Technologies, is a Florida corporation formed on November 8, 2007, for the purpose of effecting the merger. Upon completion of the merger, the Merger Sub will merge with and into Tutogen, the separate existence of the Merger Sub will cease and Tutogen will become a wholly-owned subsidiary of Regeneration Technologies.

The Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement, including the preparation of applicable regulatory filings in connection with the merger.

The Merger

A copy of the merger agreement is attached as Annex A to this Proxy Statement. We encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see "The Merger Agreement" beginning on page 57.

Consideration to be Received in the Merger by Tutogen Stockholders

Each outstanding share of Tutogen common stock will be converted into the right to receive 1.22 shares of Regeneration Technologies common stock in the merger, which we refer to as the exchange ratio.

Holders of Tutogen common stock will not receive any fractional Regeneration Technologies shares in the merger. Instead, the total number of shares that each holder of Tutogen common stock will receive in the merger will be rounded down to the nearest whole number, and Regeneration Technologies will pay cash for any resulting fractional share that a Tutogen stockholder otherwise would be entitled to receive. The amount of cash payable for a fractional share of Regeneration Technologies common stock will be determined by multiplying the fraction by the volume weighted average closing price per share of Regeneration Technologies common stock for the ten consecutive trading days ending on the second-to-last trading day immediately prior to the merger. For

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more complete description of the merger consideration, see [The Merger Agreement](#) [Consideration to be Received in the Merger by Tutogen Stockholders](#) on page 58.

Treatment of Stock Options***Regeneration Technologies***

Regeneration Technologies stock options and other equity-based awards will remain outstanding and will not be affected by the merger.

Tutogen

Each outstanding Tutogen employee stock option will become fully vested and will be assumed by Regeneration Technologies in the merger on terms substantially identical to those in effect immediately prior to the completion of the merger, and those options will be adjusted to entitle the holder to receive Regeneration Technologies common stock. The number of shares issuable under those options and the exercise prices for those options will be adjusted based on the exchange ratio.

For a more complete discussion of the treatment of Tutogen options, see [The Merger Agreement](#) [Treatment of Tutogen Options](#) on page 68.

Directors and Executive Management Following the Merger

After the merger, Regeneration Technologies will have a classified board, initially consisting of twelve members, divided into three classes and elected for three-year terms by a plurality of the shares of Regeneration Technologies common stock present in person or represented by proxy and entitled to vote at the annual meeting of stockholders. Seven of the twelve directors are the current members of the Regeneration Technologies board of directors. The remaining five directors have been selected from the eight current members of the Tutogen board of directors.

The members of the Regeneration Technologies board of directors and the class of director in which each member will serve after the merger is as set forth below:

Class	Term Expiring	Directors
I	2008	Peter F. Gearen, M.D.* Michael J. Odrich* Adrian J.R. Smith Udo Henseler, Ph.D.
II	2009	Philip R. Chapman* Gregory P. Rainey* Neal B. Freeman Guy L. Mayer
III	2010	Brian K. Hutchison* David J. Simpson* Julianne Bowler* Roy D. Crowninshield, Ph.D.

* Indicates current director of Regeneration Technologies

In addition to serving as a director of the combined company, Brian K. Hutchison, Regeneration Technologies President, Chief Executive Officer and Chairman, will serve as Chief Executive Officer and

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Chairman of the combined company, and Guy L. Mayer, Tutogen's President and Chief Executive Officer, will serve as the President of the combined company. Thomas F. Rose, Vice President, Chief Financial Officer and Secretary of Regeneration Technologies, shall continue to serve in his current roles in the combined company. L. Robert Johnston, Jr., Tutogen's Chief Financial Officer, will serve as Vice President Finance of the combined company.

For a more complete discussion of the directors and management of Regeneration Technologies, see *The Merger* Interests of Directors and Executive Officers in the Merger beginning on page 51.

Recommendations of the Regeneration Technologies Board of Directors

After careful consideration, the Regeneration Technologies board of directors recommends that holders of Regeneration Technologies common stock vote FOR the Charter Amendment and the Share Issuance.

For a more complete description of Regeneration Technologies' reasons for the merger and the recommendations of the Regeneration Technologies board of directors, see *The Merger* Reasons for the Merger and Recommendations of Regeneration Technologies Board of Directors beginning on pages 33 and 34, respectively.

Recommendation of the Tutogen Board of Directors

After careful consideration, the Tutogen board of directors recommends that holders of Tutogen common stock vote FOR the Merger Proposal.

For a more complete description of Tutogen's reasons for the merger and the recommendation of the Tutogen board of directors, see *The Merger* Reasons for the Merger and Recommendation of Tutogen Board of Directors beginning on pages 33 and 35, respectively.

Opinions of Financial Advisors

Regeneration Technologies Financial Advisor

In connection with the proposed merger, Regeneration Technologies engaged Lehman Brothers Inc. to act as its financial advisor. On November 12, 2007, Lehman Brothers rendered its opinion to the Regeneration Technologies board of directors that, as of that date and based upon and subject to the matters stated in its opinion, the exchange ratio to be paid by Regeneration Technologies in the merger was fair, from a financial point of view, to Regeneration Technologies. The full text of Lehman Brothers' written opinion, dated November 12, 2007, is attached as Annex C to this Proxy Statement. **Regeneration Technologies stockholders are urged to read this opinion carefully and in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Lehman Brothers in rendering its opinion.**

The Lehman Brothers opinion is not intended to be and does not constitute a recommendation to any stockholder of Regeneration Technologies or Tutogen as to how that stockholder should vote or act with respect to any matter relating to the proposed merger or any other matter described in this Proxy Statement.

For a more complete description of the Lehman Brothers opinion, see *The Merger* Opinion of Financial Advisor to the Regeneration Technologies Board of Directors beginning on page 36.

Tutogen Financial Advisor

The Tutogen board of directors considered the financial analyses of Cowen and Company, LLC (Cowen), and Cowen rendered its oral opinion that, as of November 12, 2007 and based upon and subject to the factors and

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assumptions set forth in its opinion, the exchange ratio in the merger was fair, from a financial point of view, to the stockholders of Tutogen. Cowen subsequently confirmed its oral opinion by delivering its written opinion, dated November 12, 2007, the full text of which is attached as Annex D to this Proxy Statement. **Tutogen stockholders are urged to read the opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken.**

Cowen provided its opinion for the use and benefit of the Tutogen board of directors in connection with its consideration of the merger, and is directed only to the fairness, from a financial point of view, of the exchange ratio in the merger as of the date of the opinion. The Cowen opinion does not address any other aspect of the merger, and is not intended to be and does not constitute a recommendation to any stockholder as to how that stockholder should vote or act with respect to the proposed merger or any other matter. Cowen was not requested to opine as to, and its opinion does not in any manner address, Tutogen's underlying business decision to proceed with or effect the merger or any alternatives to the merger. The summary of the Cowen opinion in this Proxy Statement is qualified in its entirety by reference to the full text of the opinion.

For a more complete description of the Cowen opinion, see "The Merger - Opinion of Financial Advisor to the Tutogen Board of Directors" beginning on page 42.

Interests of Directors and Executive Officers in the Merger

You should be aware that some of the directors and officers of Regeneration Technologies and Tutogen have interests in the merger that are different from, or are in addition to, the interests of stockholders generally. These interests relate to:

the treatment of equity-based compensation awards held by directors and executive officers of Tutogen in the merger;

the agreement that Brian K. Hutchison, currently President, Chief Executive Officer and Chairman of Regeneration Technologies, who is also a director of Regeneration Technologies, will remain Chief Executive Officer of the combined company and will remain Chairman of the board of directors of the combined company;

the agreement that Thomas F. Rose, currently Vice President, Chief Financial Officer and Secretary of Regeneration Technologies, will continue to serve in his current positions in the combined company;

the agreement that Guy L. Mayer, currently President and Chief Executive Officer of Tutogen, will serve as President of the combined company;

the agreement that L. Robert Johnston, Jr., Tutogen's Chief Financial Officer, will serve as Vice President - Finance of the combined company;

the appointment of Messrs. Smith, Henseler, Freeman, Mayer and Crowninshield (who are existing Tutogen directors) and Messrs. Gearen, Odlich, Chapman, Rainey, Hutchison and Simpson and Ms. Bowler (who are existing Regeneration Technologies directors) as directors of the combined company after the merger; and

change-in-control severance arrangements covering Tutogen's executive officers.

For a further discussion of interests of directors and executive officers in the merger, see "The Merger - Interests of Directors and Executive Officers in the Merger" beginning on page 51.

Material U.S. Federal Income Tax Consequences of the Merger

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Tutogen and Regeneration Technologies intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes. Accordingly, a holder of Tutogen

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common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of Tutogen common stock for shares of Regeneration Technologies common stock pursuant to the merger. Each of Tutogen and Regeneration Technologies has agreed not to take any action which would be reasonably likely to prevent the merger from being treated as a reorganization within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes.

Tax matters are very complicated, and the tax consequences of the merger to a particular holder of Tutogen common stock will depend in part on such holder's circumstances. Accordingly, Tutogen and Regeneration Technologies urge you to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local, and foreign income tax and other laws that may apply to your particular situation.

For more information, please see the section entitled "Material U.S. Federal Income Tax Consequences" beginning on page 55.

Accounting Treatment of the Merger

The merger will be accounted for as an acquisition by Regeneration Technologies of Tutogen under the purchase method of accounting according to U.S. generally accepted accounting principles.

No Appraisal Rights

Under Section 262 of the General Corporation Law of the State of Delaware, the holders of Regeneration Technologies common stock do not have appraisal rights in connection with the merger. Under Section 1302 of the Florida Business Corporation Act, the holders of Tutogen common stock do not have appraisal rights in connection with the merger.

Antitrust Approval

The applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the Hart-Scott-Rodino Act, expired on January 7, 2008.

For a more complete discussion of regulatory matters relating to the merger, see "The Merger - Regulatory Approvals Required for the Merger" on page 53.

Conditions to Completion of the Merger

We expect to complete the merger after all the conditions to the merger in the merger agreement are satisfied or waived, including the conditions that stockholder approvals are received at the special meetings of stockholders of Regeneration Technologies and Tutogen, and all required regulatory approvals are received. We currently expect to complete the merger in late February, 2008. However, it is possible that factors outside of our control could require us to complete the merger at a later time or not to complete it at all.

Each party's obligation to complete the merger is subject to the satisfaction or waiver of various conditions, including the following:

the Securities and Exchange Commission (SEC) declaring effective the registration statement, of which this Proxy Statement is a part, and the registration statement not being subject to any stop order or threatened stop order;

receipt of the required stockholder approvals;

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receipt of approval for listing on the Nasdaq Global Market of Regeneration Technologies common stock to be issued in the merger or reserved for issuance upon exercise of converted Tutogen equity awards;

expiration or termination of the waiting period under U.S. antitrust laws;

receipt of all material foreign antitrust approvals, if any;

no injunctions, legal restraints or prohibitions preventing the consummation of the merger;

the accuracy of the other party's representations and warranties in the merger agreement, including their representation that no material adverse change has occurred;

the other party's compliance with its obligations under the merger agreement; and

receipt of all consents, approvals, qualifications, licenses, orders and authorizations of third parties required in connection with merger, except for any consents, approvals, qualifications, licenses, orders and authorizations that would not reasonably be expected to result, individually or in the aggregate, in a material adverse change.

The merger agreement provides that any or all of these conditions may be waived, in whole or in part, by Regeneration Technologies or Tutogen, to the extent legally allowed. Neither Tutogen nor Regeneration Technologies currently expects to waive any material condition to the completion of the merger. If either Regeneration Technologies or Tutogen determines to waive any condition to the merger that would result in a material and adverse change in the terms of the merger to Tutogen or Regeneration Technologies stockholders (including any change in the tax consequences of the transaction to Tutogen stockholders), proxies would be resolicited from the Regeneration Technologies or Tutogen stockholders, as applicable. For a more complete discussion of the conditions to the merger, see *The Merger Agreement - Conditions to Completion of the Merger* beginning on page 63.

Timing of the Merger

The merger is expected to be completed in late February, 2008 subject to the receipt of necessary regulatory approvals and the satisfaction or waiver of other closing conditions. For a discussion of the timing of the merger, see *The Merger Agreement - Closing and Effective Time of the Merger* on page 57.

No Solicitation of Other Offers

In the merger agreement, each of Tutogen and Regeneration Technologies has agreed that it will not:

solicit, initiate or encourage, or otherwise facilitate, directly or indirectly, any inquiries relating to any acquisition proposal;

directly or indirectly solicit, initiate, encourage or otherwise facilitate any discussions or negotiations relating to any acquisition proposal;

furnish to any third party any information or data for the purpose of encouraging or facilitating, or take any other action to knowingly, directly or indirectly, solicit, initiate, intentionally encourage, participate in or otherwise facilitate the making of any proposal that constitutes, or may reasonably be expected to lead to, any acquisition proposal;

enter into any agreement with respect to an acquisition proposal;

waive any benefits of, or agree to modify in any respect, or fail to enforce, any standstill or similar contract, agreement or arrangement with respect to any class of equity securities; or

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approve or recommend, or withdraw or modify its approval and recommendations as a result of, a competing proposal. The merger agreement does not, however, prohibit either party from considering a bona fide acquisition proposal from a third party if certain specified conditions are met. For a discussion of the prohibition on solicitation of acquisition proposals from third parties, see The Merger Agreement No Solicitation beginning on page 65.

Termination of the Merger Agreement

Generally, the merger agreement may be terminated and the merger may be abandoned at any time prior to the completion of the merger (including after stockholder approval):

by mutual written consent of Regeneration Technologies and Tutogen; or

by either party, if:

the merger shall not have been consummated on or before May 15, 2008;

any governmental entity issues an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the merger, and such order, decree, ruling or other action has become final and non-appealable, except that this termination right is not available to any party whose failure to comply with the merger agreement has been the cause of, or resulted in, such action;

the required approval by the stockholders of Regeneration Technologies or Tutogen has not been obtained at the respective stockholders meeting or any adjournment or postponement thereof;

the board of directors of the other party withdraws or changes its recommendation that its stockholders vote in favor of the Merger Proposal or Charter Amendment and Share Issuance, as applicable, approves or recommends a superior competing proposal or enters into a definitive agreement for, or consummates, the transactions contemplated by, such superior competing proposal;

the other party has materially breached any of its obligations with respect to no solicitation of competing transactions or convening of its stockholder meeting;

in the event a tender or exchange offer relating to the securities of the other party has been commenced, the other party fails to send its security holders a statement disclosing that it recommends the rejection of such tender or exchange offer;

a competing proposal regarding the other party is publicly announced and such other party fails to issue a press release that reaffirms the recommendation of its board of directors that the stockholders vote in favor of the merger; or

the other party shall have breached any representation, warranty, covenant or other agreement.

See The Merger Agreement Termination beginning on page 66.

Termination Fees and Expenses

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Either party will be paid a \$6.5 million termination fee by the other party if (i) the merger agreement is terminated by both Regeneration Technologies and Tutogen by mutual written consent, or either party terminates the merger agreement, because the stockholder vote required to approve the Merger Proposal or the Charter Amendment and Share Issuance, as applicable, has not been obtained upon a vote taken at the other party's

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stockholders meeting, and (ii) within twelve months after the date of the merger agreement, a competing proposal with respect to the other party shall have been publicly announced or otherwise communicated to the other party or any of its subsidiaries.

In addition, if (i) either party terminates the merger agreement because the board of directors of the other party has withdrawn or modified its approval or recommendation of the Merger Proposal or the Charter Amendment and Share Issuance, as applicable, or failed to hold a special meeting of stockholders for the purpose of approving the Merger Proposal or the Charter Amendment and Share Issuance, as applicable, or approved or recommended a competing proposal, or (ii) the other party has materially breached any of its obligations relating to the prohibition against soliciting other offers, then such other party shall have to pay a \$6.5 million termination fee.

This termination fee could discourage other companies from seeking to acquire or merge with either Tutogen or Regeneration Technologies. See The Merger Agreement Termination , Effect of Termination and Termination Fees and Expenses beginning on pages 66, 67 and 67, respectively.

Matters to be Considered at the Special Meetings

Regeneration Technologies

Regeneration Technologies stockholders will be asked to vote on the following proposals:

to amend and restate the Regeneration Technologies certificate of incorporation (a) to increase the number of authorized shares of Regeneration Technologies common stock, par value \$0.001 per share, from 50,000,000 to 150,000,000 and (b) to change the name of Regeneration Technologies to RTI Biologics, Inc., which is referred to in this Proxy Statement as the Charter Amendment;

to approve the issuance of Regeneration Technologies common stock to former stockholders of Tutogen in connection with the merger, which issuance is referred to in this Proxy Statement as the Share Issuance;

to approve any motion to adjourn or postpone the Regeneration Technologies special meeting to another time or place, if necessary, to solicit additional proxies; and

to conduct any other business that properly comes before the Regeneration Technologies special meeting or any adjournment or postponement thereof.

The first two proposals listed above relating to the merger are conditioned upon each other and the approval of each such proposal is required for completion of the merger.

The amendment and restatement of the certificate of incorporation to increase the number of authorized shares of common stock is being proposed because the current number of authorized shares is insufficient to issue shares to current holders of Tutogen common stock as required by the merger agreement. The increased number of authorized shares will permit the issuance of the shares necessary to complete the merger and leave the combined company with a number of authorized but unissued shares that Regeneration Technologies and Tutogen believe will be sufficient to accommodate their needs for the foreseeable future. The name change to RTI Biologics, Inc. is being proposed because Regeneration Technologies and Tutogen believe that the adoption of a new name for the combined company will facilitate the integration of Regeneration Technologies and Tutogen and the branding of the merged companies as a single, combined entity.

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The Regeneration Technologies board of directors recommends that Regeneration Technologies stockholders vote FOR all of the proposals set forth above, as more fully described under Regeneration Technologies Special Meeting beginning on page 74.

Tutogen

Tutogen stockholders will be asked to vote on the following proposals:

to adopt the merger agreement, which is referred to in this Proxy Statement as the Merger Proposal;

to approve any motion to adjourn or postpone the Tutogen special meeting to another time or place, if necessary, to solicit additional proxies; and

to conduct any other business that properly comes before the Tutogen special meeting and any adjournment or postponement thereof. The Tutogen board of directors recommends that Tutogen stockholders vote FOR all of the proposals set forth above, as more fully described under Tutogen Special Meeting beginning on page 80.

Voting by Regeneration Technologies and Tutogen Directors and Executive Officers

On January 16, 2008, the record date set by the Regeneration Technologies board of directors, directors and executive officers of Regeneration Technologies and their affiliates owned and were entitled to vote 1,911,841 shares of Regeneration Technologies common stock, or approximately 6.4%, of the total voting power of the shares of Regeneration Technologies common stock outstanding on that date. On January 22, 2008, the record date set by the Tutogen board of directors, directors and executive officers of Tutogen and their affiliates owned and were entitled to vote 138,300 shares of Tutogen common stock, or approximately 0.7% of the shares of Tutogen common stock outstanding on that date.

Contracts with Proxy Solicitors

Each of Regeneration Technologies and Tutogen has engaged Georgeson, Inc. to solicit proxies on its behalf in connection with its special meeting of stockholders. The agreements with Georgeson provide that Georgeson is to receive a base fee of \$7,500 from each of Regeneration Technologies and Tutogen. The base fee under each agreement is subject to adjustment in the event the meeting is contested or controversial, and is exclusive of administrative fees for payment of invoices to brokers and banks, and fees for additional services, including vote projection and direct telephone solicitation. Regeneration Technologies and Tutogen have also agreed to reimburse Georgeson for costs and expenses actually incurred by Georgeson and to indemnify Georgeson for any damages which arise out of Georgeson's services (other than those relating to Georgeson's gross negligence or intentional misconduct). Regeneration Technologies and Tutogen estimate that the aggregate cost of Georgeson's services will be approximately \$12,500 each.

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF REGENERATION TECHNOLOGIES**

The selected historical financial data set forth below for each of the five years ended December 31, 2006, have been derived from audited consolidated financial statements of Regeneration Technologies which are incorporated by reference into this Proxy Statement. The data as of September 30, 2006 and 2007 and the nine months then ended have been derived from unaudited consolidated condensed financial statements of Regeneration Technologies, which are incorporated by reference into this Proxy Statement. In the opinion of Regeneration Technologies, such unaudited consolidated condensed financial statements include all adjustments, including those of a normal recurring nature, necessary for a fair presentation of its financial position and results of operations for such periods. Interim results for the nine months ended September 30, 2007 are not necessarily indicative of, and are not projections for, the results to be expected for the full year ending December 31, 2007.

The selected historical financial data below should be read in conjunction with the consolidated financial statements that are incorporated by reference into this document and their accompanying notes.

	2002	Year Ended December 31,				Nine Months Ended	
		2003	2004	2005	2006	September 30, 2006	2007
(in thousands, except per share data)							
Statements of Operations Data:							
Revenues	\$ 69,060	\$ 75,510	\$ 92,703	\$ 75,199	\$ 73,970	\$ 54,879	\$ 68,706
Operating income (loss)	(13,965)	6,619	9,979	(8,947)	(17,534)	(6,520)	1,108
Net income (loss)	(13,505)	6,356	6,155	(5,551)	(11,125)	(4,436)	507
Net income (loss) per share - basic	(0.60)	0.24	0.23	(0.20)	(0.37)	(0.15)	0.02
Net income (loss) per share - diluted	(0.60)	0.24	0.23	(0.20)	(0.37)	(0.15)	0.02
Weighted average common shares outstanding (basic and diluted)	22,434	26,365	26,593	27,754	29,753	29,753	29,822
	22,434	26,999	27,063	27,754	29,753	29,753	30,297
Balance Sheet Data:							
Cash and cash equivalents	9,811	10,051	11,484	25,559	15,509	16,472	18,795
Total working capital	25,752	40,196	54,192	69,597	56,784	59,194	67,410
Total assets	141,190	136,353	124,730	142,262	129,808	134,203	136,894
Long-term debt - less current portion	2,266	621	7,919	5,606	3,401	3,851	2,258
Accumulated deficit	(15,733)	(9,377)	(3,222)	(8,773)	(19,898)	(13,209)	(19,391)
Stockholders' equity	\$ 82,622	\$ 92,397	\$ 99,602	\$ 117,813	\$ 109,890	\$ 115,813	\$ 113,442

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF TUTOGEN**

The selected historical financial data set forth below for the five years ended September 30, 2007, have been derived from Tutogen's audited consolidated financial statements which are incorporated by reference into this Proxy Statement.

The selected historical financial data below should be read in conjunction with the consolidated financial statements that are incorporated by reference into this document and their accompanying notes.

	2003	Year Ended September 30,			2007
		2004	2005	2006	
(in thousands, except per share data)					
Statements of Operations Data:					
Revenues	\$ 30,260	\$ 29,330	\$ 31,860	\$ 37,947	\$ 53,819
Operating income (loss)	5,265	3,158	(7,227)	(287)	3,535
Net income (loss)	3,707	1,133	(7,017)	(589)	6,758
Net income (loss) per share - basic	0.24	0.07	(0.44)	(0.04)	0.38
Net income (loss) per share - diluted	0.23	0.07	(0.44)	(0.04)	0.36
Weighted average common shares outstanding (basic and diluted)	15,495	15,734	15,919	16,027	17,683
	16,095	16,469	15,919	16,027	19,080
Balance Sheet Data:					
Cash and cash equivalents	5,049	5,063	3,562	3,463	7,849
Short-term marketable securities					5,000
Total working capital	15,342	17,471	8,433	8,215	29,086
Total Assets	29,962	33,536	26,205	38,917	59,250
Long-term debt - less current portion	728	827	630	3,673	3,278
Accumulated deficit	(18,612)	(17,479)	(24,496)	(25,085)	(18,327)
Stockholders' equity	\$ 17,606	\$ 21,272	\$ 13,722	\$ 15,221	\$ 40,359

Table of Contents**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

The following selected unaudited pro forma condensed combined financial information is designed to show how the merger of Regeneration Technologies and Tutogen might have affected historical financial statements if the merger had been completed at an earlier time and was prepared based on the historical financial results reported by Regeneration Technologies and Tutogen. The following should be read in connection with the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 84 and the Regeneration Technologies and Tutogen audited consolidated financial statements, which are incorporated by reference into this Proxy Statement.

The unaudited pro forma condensed combined balance sheet data assumes that the merger took place on September 30, 2007 and combines Regeneration Technologies consolidated balance sheet as of September 30, 2007 with Tutogen's consolidated balance sheet as of September 30, 2007. The unaudited pro forma condensed combined statements of operations data for the nine months ended September 30, 2007 and for the year ended December 31, 2006 give effect to the merger as if it occurred at the beginning of each period presented.

The selected unaudited pro forma condensed combined financial data is presented for illustrative purposes only and is not necessarily indicative of the financial condition or results of operations of future periods or the financial condition or results of operations that actually would have been realized had the entities been a single company during these periods.

	Year Ended December 31, 2006 (in thousands, except per share data)	Nine Months Ended September 30, 2007
Statements of Operations Data		
Revenues	\$ 114,598	\$ 109,187
Operating income (loss)	(17,072)	3,670
Net income (loss)	(11,400)	6,742
Net income (loss) per share - basic	(0.23)	0.13
Net income (loss) per share - diluted	(0.23)	0.13
		As of
		September 30,
		2007
		(in thousands)
Balance Sheet Data:		
Cash and cash equivalents		\$ 26,644
Working capital		88,996
Total assets		420,201
Long-term debt - less current portion		5,536
Accumulated deficit		(19,391)
Stockholders' equity		370,563

Table of Contents**COMPARATIVE PER SHARE DATA (UNAUDITED)**

The following table sets forth certain historical per share data for Regeneration Technologies and Tutogen, unaudited pro forma combined per share data, and unaudited pro forma equivalent per share data for Tutogen. The pro forma book value per share information was computed as if the merger had been completed on September 30, 2007. The pro forma net income (loss) from continuing operations information was computed as if the merger had been completed on January 1, 2006. The Tutogen pro forma equivalent information was calculated by multiplying the corresponding pro forma combined data by the exchange ratio of 1.22 to 1. This information shows how each share of Tutogen common stock would have participated in the combined companies' net income (loss) and book value per share if the merger had been completed on the relevant dates. These amounts do not necessarily reflect future per share amounts of net incomes (losses) from operations and book value per share of the combined company.

The following unaudited comparative per share data is derived from the historical consolidated financial statements of each of Regeneration Technologies and Tutogen. The information below should be read in conjunction with the audited consolidated financial statements and accompanying notes of Regeneration Technologies and Tutogen, which are incorporated by reference into this Proxy Statement. We urge you also to read the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 84.

		As of and For the Year Ended December 31, 2006	As of and For the Nine Months Ended September 30, 2007
REGENERATION TECHNOLOGIES - HISTORICAL			
Net income (loss) per share	basic	\$ (0.37)	\$ 0.02
Net income (loss) per share	diluted	(0.37)	0.02
Book value at end of period	per common share outstanding	3.69	3.80
TUTOGEN HISTORICAL			
Net income (loss) per share	basic	\$ (0.01)	\$ 0.36
Net income (loss) per share	diluted	(0.01)	0.34
Book value at end of period	per common share outstanding	1.04	2.11
		As of and For the Year Ended December 31, 2006	As of and For the Nine Months Ended September 30, 2007
UNAUDITED REGENERATION TECHNOLOGIES PRO FORMA COMBINED			
Net income (loss) per share	basic	\$ (0.23)	\$ 0.13
Net income (loss) per share	diluted	(0.23)	0.13
Book value at end of period	per common share outstanding	NA	6.96
UNAUDITED PRO FORMA TUTOGEN EQUIVALENTS			
Net income (loss) per share	basic	\$ (0.28)	\$ 0.16
Net income (loss) per share	diluted	(0.28)	0.16
Book value at end of period	per common share outstanding	NA	8.49

Table of Contents**MARKET PRICES AND DIVIDENDS AND OTHER DISTRIBUTIONS****Stock Prices**

The table below sets forth, for the calendar quarters indicated, the high and low sales prices per share of Regeneration Technologies common stock and Tutogen common stock. Regeneration Technologies common stock trades on the Nasdaq Global Market under the symbol RTIX and Tutogen common stock trades on the American Stock Exchange under the symbol TTG.

	Regeneration Technologies Common Stock		Tutogen Common Stock	
	High	Low	High	Low
2005				
First Quarter	\$ 11.72	9.60	\$ 2.65	2.25
Second Quarter	10.62	5.60	2.49	2.10
Third Quarter	9.65	6.32	4.90	2.33
Fourth Quarter	8.48	6.50	4.60	2.50
2006				
First Quarter	8.25	6.86	5.10	2.85
Second Quarter	8.24	6.10	5.28	4.40
Third Quarter	7.18	4.87	6.29	4.20
Fourth Quarter	7.19	5.59	7.50	4.28
2007				
First Quarter	7.89	5.12	8.95	6.24
Second Quarter	11.94	7.12	11.31	8.05
Third Quarter	11.99	9.05	12.28	7.50
Fourth Quarter	11.40	8.23	12.70	9.50
2008				
First Quarter (through January 22, 2008)	9.03	7.30	10.87	7.00

On November 12, 2007, the last trading day before the public announcement of the signing of the merger agreement, the last sales price per share of Regeneration Technologies common stock on the Nasdaq Global Market was \$10.54 and the closing price per share of Tutogen common stock on the American Stock Exchange was \$10.15. On January 22, 2008, the latest practicable date before the date of this Proxy Statement, the last sales price per share of Regeneration Technologies common stock on the Nasdaq Global Market was \$7.51 and the closing price per share of Tutogen common stock on the American Stock Exchange was \$9.01.

Dividends and Other Distributions

Regeneration Technologies has never paid cash dividends on its common stock. It currently intends to retain earnings, if any, for use in its business and does not anticipate paying any cash dividends in the foreseeable future.

Tutogen has never paid any dividends on its common stock. Tutogen does not intend to pay cash dividends on its common stock in the foreseeable future.

The board of directors of the combined company will determine the new dividend policy, but it is expected that no dividends will be paid in the foreseeable future.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this Proxy Statement and in the documents that are incorporated by reference. These forward-looking statements relate to outlooks or expectations for earnings, revenues, expenses, asset quality or other future financial or business performance, strategies or expectations, or the impact of legal, regulatory or supervisory matters on business, results of operations or financial condition. Specifically, forward looking statements may include:

statements relating to the benefits of the merger, including anticipated synergies and cost savings estimated to result from the merger;

statements relating to future business prospects, revenue, income and financial condition; and

statements preceded by, followed by or that include the words estimate, plan, project, forecast, intend, expect, anticipate, seek, target or similar expressions.

These statements reflect management's judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. With respect to these forward-looking statements, management of each of Tutogen and Regeneration Technologies has made assumptions regarding, among other things, pricing, operating costs and the economic environment.

Future performance cannot be ensured. Actual results may differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ include:

the ability to obtain governmental approvals of the merger on the proposed terms and time schedule, and without the imposition of significant terms, conditions, obligations or restrictions;

the risk that the businesses will not be integrated successfully;

expected cost savings from the merger may not be fully realized within the expected time frames or at all;

revenues following the merger may be lower than expected;

the effects of vigorous competition in the markets in which Regeneration Technologies and Tutogen operate;

the possibility of one or more of the markets in which Tutogen and Regeneration Technologies compete being adversely affected by changes in political or other factors such as monetary policy, legal and regulatory changes or other external factors over which they have no control;

changes in general economic and market conditions; and

other risks referenced from time to time in filings with the SEC and those factors listed or incorporated by reference into this Proxy Statement under "Risk Factors" beginning on page 17.

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You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this Proxy Statement, or in the case of a document incorporated by reference, as of the date of that document. Except as required by law, neither Regeneration Technologies nor Tutogen undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in reports filed with the SEC by Tutogen and Regeneration Technologies. See [Where You Can Find More Information](#) beginning on page 107 for a list of the documents incorporated by reference.

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RISK FACTORS

In addition to the other information contained or incorporated by reference into this Proxy Statement, you should carefully consider the following risk factors in deciding how to vote on the merger. You also should read and consider the risks associated with each of the businesses of Regeneration Technologies and Tutogen because these risks will also relate to the combined company. Certain of these risks can be found in the documents incorporated by reference into this Proxy Statement.

Risks Relating to the Merger

Because the market price of Regeneration Technologies common stock will fluctuate, Tutogen stockholders cannot be sure of the market value of Regeneration Technologies common stock that they will receive.

The market price of Regeneration Technologies common stock will likely be different on the date Tutogen stockholders receive such shares than it is today. When we complete the merger, each share of Tutogen common stock will be converted into the right to receive 1.22 shares of Regeneration Technologies common stock. The exchange ratio is fixed and will not be adjusted for changes in the market price of either Regeneration Technologies common stock or Tutogen common stock. The merger agreement does not provide for any price-based termination right. Accordingly, the market value of the shares of Regeneration Technologies common stock that Regeneration Technologies issues to Tutogen stockholders when we complete the merger will depend on the market value of shares of Regeneration Technologies common stock at that time and could vary significantly from the market value on the date of this Proxy Statement or the date of the Tutogen special meeting. The market value of the shares of Regeneration Technologies common stock will continue to fluctuate after the completion of the merger. For example, during 2007, the market price of Regeneration Technologies common stock ranged from a low of \$5.12 to a high of \$11.99, all as reported on the Nasdaq Global Market. See [Market Prices and Dividends and Other Distributions](#) on page 15.

The price of Regeneration Technologies common stock may change as a result of:

Regeneration Technologies' quarterly results;

failure to meet analysts' expectations;

financial results of competitors of Regeneration Technologies and their ability or failure to meet analysts' expectations;

patents issued or not issued to Regeneration Technologies or its competitors;

announcements by Regeneration Technologies or its competitors regarding acquisitions or dispositions;

loss of existing customers;

new procedures or technology;

litigation;

sales of substantial amounts of Regeneration Technologies' common stock, including shares issued upon the exercise of outstanding options or warrants; and

changes in general conditions in the economy and general market conditions.

Any of these factors, among others, could cause the market price of Regeneration Technologies common stock to fluctuate substantially. Tutogen stockholders are urged to obtain a current market quotation for Regeneration Technologies common stock. Regeneration Technologies cannot predict or give any assurances as to the market price of its common stock at any time before or after the completion of the merger.

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The issuance of shares of Regeneration Technologies common stock to Tutogen stockholders in the merger will substantially reduce the percentage interests of Regeneration Technologies stockholders.

If the merger is completed, Regeneration Technologies will issue approximately 23,694,000 shares of Regeneration Technologies common stock to Tutogen stockholders in the merger and up to 2,900,000 additional shares of common stock upon exercise of Tutogen employee stock options. Based on the number of shares of Regeneration Technologies and Tutogen common stock outstanding on the date of the Merger Agreement, former Tutogen stockholders will own, in the aggregate, approximately 45% of the shares of common stock of the combined company outstanding immediately after the merger. The issuance of shares of Regeneration Technologies common stock to Tutogen stockholders in the merger and to holders of assumed options and restricted stock units to acquire shares of Tutogen common stock and warrants will cause a significant reduction in the relative voting power and percentage interests in earnings of current Regeneration Technologies stockholders and also will reduce their liquidation value and book value.

The anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

The merger involves the integration of two companies that have previously operated independently, with principal offices in two distinct locations. Due to legal restrictions, Regeneration Technologies and Tutogen have conducted only limited planning regarding the integration of the two companies. The combined company will be required to devote significant management attention and resources to integrating the two companies. This process could adversely affect the business, operating results, financial condition and stock price of the combined company. Even if Regeneration Technologies and Tutogen are able to integrate their business operations successfully, there can be no assurance that this integration will result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that may be possible from this integration or that these benefits will be achieved within a reasonable period of time.

Stockholders may receive a lower return on their investment after the merger.

Although Regeneration Technologies and Tutogen believe that the merger will create financial, operational and strategic benefits for the combined company and its stockholders, these benefits may not be achieved. The combination of Regeneration Technologies and Tutogen's businesses, even if conducted in an efficient, effective and timely manner, may not result in combined operating efficiencies and financial performance that are better than what each company would have achieved independently if the merger had not occurred. In addition, the issuance of Regeneration Technologies common stock pursuant to the merger may result in a decrease in the market price of Regeneration Technologies common stock.

Regeneration Technologies and Tutogen expect to incur potentially significant merger-related costs in connection with the transaction and the integration of the two companies.

Regeneration Technologies expects to incur charges of approximately \$4 million in outside costs, including legal, accounting and financial advisory fees, which are expected to be accounted for as part of the purchase price when the merger is completed. Tutogen expects to incur charges of approximately \$3.75 million in outside costs, including legal, accounting and financial advisory fees, which are expected to be accounted for as part of the purchase price when the merger is completed. The actual transaction costs may be higher than these estimates. In addition, the combined company expects to incur integration costs associated with the merger. These integration costs will be charged to operations in the fiscal quarter in which they are incurred, which would adversely affect the financial condition, results of operations and cash flows of the combined company.

Uncertainty about the merger and diversion of management could harm Tutogen, Regeneration Technologies or the combined company, whether or not the merger is completed.

In response to the announcement of the merger, existing or prospective distributors, customers or suppliers of Tutogen or Regeneration Technologies may delay or defer their purchasing or other decisions concerning

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Tutogen or Regeneration Technologies, or they may seek to change their existing business relationship. In addition, as a result of the merger, current and prospective employees could experience uncertainty about their future with Tutogen or Regeneration Technologies or the combined company. These uncertainties may impair each company's ability to retain, recruit or motivate key personnel. Completion of the merger will also require a significant amount of time and attention from management. The diversion of management attention away from ongoing operations could adversely affect ongoing operations and business relationships.

If the merger is not completed, each party's stock price and future business operations could be harmed.

Completion of the merger is conditioned upon, among other things, the receipt of approval by the stockholders of Regeneration Technologies and Tutogen. There is no assurance that we will receive the necessary approvals or satisfy the other conditions in the completion of the merger.

If the merger is not completed for any reason, the stock price of Regeneration Technologies or Tutogen may decline if the current market price reflects a positive market assumption that the merger will be completed. If the merger is not completed, each company would still be required to pay its respective costs related to the merger, including financial advisory, legal, accounting and other fees and expenses. To date, Regeneration Technologies has capitalized these costs; however, in the event the merger agreement is terminated, these and any additional expenses would be written off as a one-time expense upon termination.

Additionally, if the merger agreement is terminated, either company may be unable to find a partner willing to engage in a similar transaction on terms as favorable as those set forth in the merger agreement, or at all. This could limit each company's ability to pursue its strategic goals.

The merger agreement contains provisions that could discourage a potential competing acquiror that might be willing to pay more to acquire Tutogen or that might be willing to acquire Regeneration Technologies.

The merger agreement contains no shop provisions that restrict Regeneration Technologies and Tutogen's ability to solicit or facilitate proposals regarding a merger or similar transaction with another party. Further, the respective board of directors of Regeneration Technologies and Tutogen may not withdraw or adversely qualify their recommendation regarding the merger agreement. Although each of the Regeneration Technologies and Tutogen boards are permitted to terminate the merger agreement in response to a superior proposal if they determine that a failure to do so would be inconsistent with their fiduciary duties, doing so would entitle the non-terminating party to collect a \$6.5 million termination fee from the terminating party. We describe these provisions under "The Merger Agreement - Termination" beginning on page 66 and "Termination Fees and Expenses" beginning on page 66.

These provisions could discourage a potential competing acquiror from considering or proposing an acquisition, even if it were prepared to pay consideration with a higher value than that proposed to be paid in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price than it might otherwise have proposed to pay because of the added expense of the termination fee.

Resales of shares of Regeneration Technologies common stock following the merger and additional obligations to issue shares of Regeneration Technologies common stock may cause the market price of Regeneration Technologies common stock to fall.

As of January 16, 2008, Regeneration Technologies had 29,880,296 shares of common stock outstanding and 3,697,739 shares of common stock subject to outstanding options and other rights to purchase or acquire its shares. Regeneration Technologies currently expects that it will issue approximately 23,694,000 shares of Regeneration Technologies common stock in connection with the merger. The issuance of these new shares of Regeneration Technologies common stock and the sale of additional shares of Regeneration Technologies

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common stock that may become eligible for sale in the public market from time to time upon exercise of options (including up to 2,900,000 Regeneration Technologies options as a result of the assumption of Tutogen options) could have the effect of depressing the market price for shares of Regeneration Technologies common stock.

The trading price of shares of Regeneration Technologies common stock after the merger may be affected by factors different from those affecting the price of shares of Regeneration Technologies common stock or shares of Tutogen common stock before the merger.

When we complete the merger, holders of Tutogen common stock will become holders of Regeneration Technologies common stock. The results of operations of Regeneration Technologies, as well as the trading price of Regeneration Technologies common stock, after the merger may be affected by factors different from those currently affecting Regeneration Technologies or Tutogen's results of operations and the trading price of Tutogen common stock. For a discussion of the businesses of Regeneration Technologies and Tutogen and of certain factors to consider in connection with these businesses, see the documents incorporated by reference into this Proxy Statement and referred to under "Where You Can Find More Information" beginning on page 107.

Risks Relating to the Business of the Combined Company

Regeneration Technologies and Tutogen depend heavily upon a limited number of sources of human tissue, and any failure to obtain tissue from these sources in a timely manner will interfere with the combined company's ability to process and distribute allografts.

The limited supply of human tissue has at times limited the growth of Regeneration Technologies and Tutogen, and may not be sufficient to meet future needs of the combined company. In addition, due to seasonal changes in mortality rates, some scarce tissues that Regeneration Technologies and Tutogen currently use for their allografts are at times in particularly short supply. Other factors, some of which are unpredictable, such as negative publicity and regulatory actions in the industry in which the combined company will operate also could unexpectedly reduce the available supply of tissue.

Regeneration Technologies and Tutogen rely on donor recovery groups for their human tissue supplies. Donor recovery groups are part of relatively complex relationships. They provide support to donor families, are regulated by the FDA, and are often affiliated with hospitals, universities or organ procurement organizations. The relationships of the combined company with donor recovery groups, which will be critical to its supply of tissue, could be affected by relationships recovery groups have with other organizations. Any negative impact of the regulatory and disease transmission issues facing the industry, as well as the negative publicity that these issues create, could have an impact on the ability of the combined company to negotiate favorable contracts with recovery groups.

Regeneration Technologies' four largest donor recovery groups together recovered for the year ended December 31, 2006 and the nine months ended September 30, 2007, approximately 48% and 50%, respectively of its total tissue supply. Southeast Tissue Alliance, or SETA (formerly the University of Florida Tissue Bank, Inc.), supplied Regeneration Technologies for the year ended December 31, 2006, and the nine months ended September 30, 2007, with approximately 22% and 15%, respectively, of its total tissue. RTI Donor Services, Inc. supplied Regeneration Technologies for the year ended December 31, 2006, and the nine months ended September 30, 2007, with approximately 11% and 17%, respectively, of its total tissue. Alabama Organ Center supplied Regeneration Technologies for the year ended December 31, 2006, and the nine months ended September 30, 2007, with approximately 10% and 9%, respectively, of its total tissue. Dialysis Clinic, Inc., supplied Regeneration Technologies for the year ended December 31, 2006, and the nine months ended September 30, 2007, with approximately 5% and 10%, respectively, of its total tissue. For the years ended September 30, 2006, and 2007, Tutogen recovered 65% and 37%, respectively, of its tissue supply from Allosource, Inc. We expect the merger to reduce the dependence of the combined company on each of these

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companies. Nevertheless, if the combined company were to lose any one of these sources of tissue, the impact on operating results of the combined company would be material.

Regeneration Technologies and Tutogen cannot be sure that the supply of human tissue will continue to be available at current levels or will be sufficient to meet the needs of the combined company. If the combined company is not able to obtain tissue from current sources of Regeneration Technologies and Tutogen sufficient to meet its needs, the combined company may not be able to locate additional replacement sources of tissue on commercially reasonable terms, if at all. Any interruption of the business of the combined company caused by the need to locate additional sources of tissue would significantly hurt its revenues. Regeneration Technologies and Tutogen expect that revenues of the combined company would decline in proportion to any decline in tissue supply.

If Regeneration Technologies and Tutogen fail to maintain their existing strategic relationships or are unable to identify distributors of the combined company's implants, revenues may decrease.

Regeneration Technologies currently derives the majority of its revenues through its relationships with two companies, Medtronic Sofamor Danek, or MSD, and Exactech, Inc. For the year ended December 31, 2006, and the nine months ended September 30, 2007, Regeneration Technologies derived approximately 54% and 49% and 6% and 6% of its revenues from distribution by MSD and Exactech, respectively. Tutogen currently derives the majority of its revenues through relationships with two companies, Zimmer Dental, Inc. and Zimmer Spine, Inc. For the year ended September 30, 2007, Tutogen derived approximately 48% and 10% of its consolidated revenues from distribution by Zimmer Dental and Zimmer Spine, respectively. In addition, MSD and Zimmer provide nearly all of the instrumentation, surgeon training, distribution assistance and marketing materials for the lines of allografts they distribute for Regeneration Technologies and Tutogen, respectively.

Variations in the timing and volume of orders by MSD and Zimmer may have a material effect upon the revenues of the combined company. We expect the merger to reduce the dependence of the combined company on each of these companies. Nevertheless, if the relationships with MSD or Zimmer are terminated or reduced for any reason and the combined company is unable to replace these relationships with other means of distribution, the combined company could suffer a material decrease in revenues.

The combined company may need to obtain the assistance of additional distributors to market and distribute new allografts and technologies, as well as to market and distribute its existing allografts and technologies to new market segments or geographical areas. The combined company may not be able to find additional distributors who will agree to and successfully market and distribute its allografts and technologies on commercially reasonable terms, if at all. If the combined company is unable to establish additional distribution relationships on favorable terms, its revenues may decline.

If third-party payors fail to provide appropriate levels of reimbursement for the use of the combined company's implants, revenues could be adversely affected.

Political, economic and regulatory influences are subjecting the healthcare industry in the United States to fundamental change. Any new federal or state legislation could result in significant changes in the availability, delivery, pricing or payment for healthcare services and products. While we cannot predict what form any new legislation will take, it is possible that any significant healthcare legislation, if adopted, could adversely affect amounts paid to the combined company for its services, which could have a negative impact on the revenues of the combined company.

The revenues of the combined company will likely depend largely on the reimbursement of patients' medical expenses by government health care programs and private health insurers. Governments and private insurers closely examine medical procedures incorporating new technologies to determine whether the procedures will be covered by payment, and if so, the level of payment which may apply. We cannot be sure that third-party payors will reimburse the combined company at the current levels.

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If the combined company fails to maintain the high processing standards that implants require or if the combined company is unable to develop processing capacity as required, its commercial opportunity will be reduced or eliminated.

Implants of the combined company will require careful calibration and precise, high-quality processing. Achieving precision and quality control will require skill and diligence by the combined company's personnel. If the combined company fails to achieve and maintain these high processing standards, including avoiding processing errors, design defects or component failures:

the combined company could be forced to recall, withdraw or suspend distribution of its implants;

the combined company's implants and technologies could fail quality assurance and performance tests;

production and deliveries of the combined company's implants could be delayed or cancelled; and

the combined company's processing costs could increase.

Further, to be successful, the combined company will need to manage its human tissue processing capacity related to tissue recovery and demand for its allografts. It may be difficult for the combined company to match its processing capacity to demand due to problems related to yields, quality control and assurance, tissue availability, adequacy of control policies and procedures, and lack of skilled personnel. If the combined company is unable to process and produce its implants on a timely basis, at acceptable quality and costs, and in sufficient quantities, or if the combined company experiences unanticipated technological problems or delays in processing, it will reduce revenues and increase the combined company's cost per allograft processed.

The allograft and xenograft implants and technologies of the combined company could become subject to significantly greater regulation by the FDA, which could disrupt its business.

The FDA and several states have statutory authority to regulate allograft processing and allograft-based materials. The FDA could identify deficiencies in future inspections of the facilities of the combined company or its suppliers or promulgate future regulatory rulings that could disrupt the business of the combined company, hurting its profitability.

For example, in mid-2001, the FDA reviewed the Regeneration Technologies BioCleanse® process after the FDA raised concerns about the process. While the FDA concluded that the compliance portion of its review of Regeneration Technologies' BioCleanse® process in January 2002 and determined Regeneration Technologies was in compliance with existing FDA requirements and that no regulatory action was warranted, the possibility always exists that the FDA could raise concerns with these or other aspects of the business of Regeneration Technologies. The FDA's decision, that no regulatory action was warranted, does not constitute a formal approval of the Regeneration Technologies BioCleanse® process and the FDA is free to raise the same or similar concerns in the future.

If any of the combined company's allografts fall under the FDA's definitions of "more than minimally manipulated or indicated for nonhomologous use," the combined company would be required to obtain medical device approval or clearance or biologics licenses, which could require clinical testing. Disapproval of the combined company's license applications and restricted distribution of any of the combined company's allografts, which may become subject to pre-market approval, may result. The FDA could require post-market testing and surveillance to monitor the effects of such allografts, could restrict the commercial applications of these allografts, and could conduct periodic inspections of the facilities of the combined company and its suppliers. Delays encountered during the FDA approval process could shorten the patent protection period during which the combined company has the exclusive right to commercialize such technologies or could allow others to come to market with similar technologies before the combined company.

FDA regulations of human cellular and tissue-based products, titled "Good Tissue Practices," became effective as of May 2005. These regulations cover all stages of allograft processing, from procurement of tissue

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to distribution of final allografts. These regulations may increase regulatory scrutiny within the industry in which the combined company will operate and lead to increased enforcement action which affects the conduct of the combined company's business. In addition, these regulations may have a significant effect upon recovery agencies which supply the combined company with tissue and increase the cost of recovery activities. Any such increase would translate into increased costs to the combined company, as we expect the combined company to reimburse the recovery agencies based on their cost of recovery.

Other regulatory entities include state agencies with statutes covering tissue banking. Of particular relevance to the business of the combined company will be the regulations issued by Florida, New York, California and Maryland. Most states do not currently have tissue banking regulations. However, recent incidents of allograft related infections in the industry may stimulate the development of regulation in other states. It is possible that others may make allegations against the combined company or against donor recovery groups or tissue banks, including those with which Regeneration Technologies and Tutogen have relationships, about non-compliance with applicable FDA regulations or other relevant statutes and regulations. Allegations like these could cause regulators or other authorities to take investigative or other action, or could cause negative publicity for the combined company's business and the industry in which it will operate.

Some of the combined company's implants in development will contain tissue derived from animals, commonly referred to as xenografts. Xenograft implants are medical devices that are subject to pre-market approval or clearance by the FDA. Regeneration Technologies received FDA clearance on several xenograft implants in 2005 and 2006. However, the combined company may not receive FDA approval or clearance to market new implants as it attempts to expand the quantity of xenograft implants available for distribution.

The allograft industry is subject to additional local, state, federal and international government regulations and any increased regulations of the activities of the combined company could significantly increase the cost of doing business, thereby reducing profitability.

Some aspects of the anticipated business of the combined company are subject to additional local, state, federal or international regulation. Changes in the laws or new interpretations of existing laws could negatively affect the business, revenues or prospects of the combined company, and increase the costs associated with conducting its business. In particular, the procurement and transplantation of allograft tissue is subject to federal regulation under the National Organ Transplant Act, or NOTA, a criminal statute that prohibits the purchase and sale of human organs, including bone and other tissue. NOTA permits the payment of reasonable expenses associated with the transportation, processing, preservation, quality control and storage of human tissue, which are the types of services the combined company will perform. If in the future NOTA were amended or interpreted in a way that made the combined company unable to include some of these costs in the amounts it could charge its customers, it could reduce the revenues of the combined company and therefore hurt its business. It is possible that more restrictive interpretations or expansions of NOTA could be adopted in the future which could require the combined company to change one or more aspects of its business, at a substantial cost, in order to continue to comply with this statute.

A variety of additional local, state, federal and international government laws and regulations will govern the business of the combined company, including those relating to the storage, handling, generation, manufacture and disposal of medical wastes from the processing of tissue. If the combined company fails to conduct its business in compliance with these laws and regulations, it could be subject to significant liabilities arising from hazardous biological materials for which its insurance may not be adequate. Moreover, such insurance may not always be available in the future on commercially reasonable terms, if at all. If the combined company's insurance proves to be inadequate to pay a damage award, it may not have sufficient funds to do so, which could harm its financial condition and liquidity.

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The success of the combined company will depend on the continued acceptance of the allograft and xenograft implants and technologies of Regeneration Technologies and Tutogen by the medical community.

New allograft and xenograft implants, technologies or enhancements to existing implants of Regeneration Technologies and Tutogen may never achieve broad market acceptance, which can be affected by numerous factors, including:

lack of clinical acceptance of implants and technologies;

introduction of competitive tissue repair treatment options which render implants and technologies too expensive or obsolete;

lack of availability of third-party reimbursement; and

difficulty training surgeons in the use of tissue implants and technologies.

Market acceptance will also depend on the combined company's ability to demonstrate that its existing and new implants and technologies are an attractive alternative to existing tissue repair treatment options. The ability of the combined company to do so will depend on surgeons' evaluations of the clinical safety, efficacy, ease of use, reliability and cost-effectiveness of these tissue repair options and technologies. For example, we believe that some in the medical community have lingering concerns over the risk of disease transmission through the use of allografts.

Furthermore, we believe that even if the medical community generally accepts the combined company's implants and technologies, recommendations and endorsements by influential surgeons will be important to their broad commercial success. If the combined company's implants and technologies are not broadly accepted in the marketplace, it may not achieve a competitive position in the market.

Rapid technological changes will adversely affect the combined company and its customers, which could result in reduced demand for its products.

Technologies change rapidly in the industry in which Regeneration Technologies and Tutogen operate. For example, steady improvements have been made in synthetic human tissue substitutes which compete with the tissue implants of Regeneration Technologies and Tutogen. Unlike allografts, synthetic tissue technologies are not dependent on the availability of tissue. If one of the competitors of the combined company successfully introduces synthetic technologies using recombinant technologies, which stimulate the growth of tissue surrounding an implant, it could result in a decline in demand for tissue implants. The combined company may not be able to respond effectively to technological changes and emerging industry standards, or to successfully identify, develop or support new technologies or enhancements to existing implants in a timely and cost-effective manner, if at all. If the combined company is unable to achieve the improvements in its implants necessary for their successful commercialization, the demand for the combined company's implants will suffer.

The combined company will face intense competition, which could result in reduced acceptance and demand for its implants and technologies.

The medical technology/biotechnology industry is intensely competitive. The combined company will compete with companies in the United States and internationally that engage in the development and production of medical technologies and processes including:

biotechnology, orthopedic, pharmaceutical, biomaterial and other companies;

academic and scientific institutions; and

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public and private research organizations.

Many of the competitors of the combined company will have much greater financial, technical, research, marketing, distribution, service and other resources than the combined company. Moreover, competitors of the

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combined company may offer a broader array of tissue repair treatment products and technologies or may have greater name recognition than the combined company in the marketplace. For example, the combined company will likely compete with a number of divisions of Johnson & Johnson, a company with significantly greater resources and brand recognition than the combined company. The competitors of the combined company, including several development stage companies, may develop or market technologies that are more effective or commercially attractive than the combined company's technologies, or that may render the combined company's technologies obsolete. For example, the successful development of a synthetic tissue product that permits remodeling of bones could result in a decline in the demand for allograft and xenograft-based products and technologies.

If the combined company does not manage the medical release of donor tissue into processing in an effective and efficient manner, it could adversely affect profitability.

Many factors affect the level and timing of donor medical releases, such as effectiveness of donor screening currently performed by donor recovery groups, the timely receipt, recording and review of required medical documentation, and employee loss and turnover in the combined company's medical records department. Some of the combined company's donor recovery groups are also processors who provide partially processed tissues which they have already determined to be medically suitable for processing. Therefore, these sources provide a higher level of documentation than those that perform donor recovery alone. We can provide no assurance that donor medical releases will occur at levels which will maximize the combined company's processing efficiency and mini