E-Z-EM, Inc.
Form PREM14A
January 14, 2008
Table of Contents

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 x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x 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

E-Z-EM, Inc.

(Name of Registrant as Specified in its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

Common stock, par value $0.10 per share, of E-Z-EM, Inc. (E-Z-EM common stock)

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

11,085,080 shares of E-Z-EM common stock outstanding as of January 11, 2008

1,178,038 shares of E-Z-EM common stock issuable upon exercise of options to purchase E-Z-EM

common stock outstanding as of January 11, 2008

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(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):

The filing fee was determined by multiplying 0.00003930 by the sum of (i) 11,085,080 shares of E-Z-EM common stock multiplied by the merger consideration of $21.00 per share and (ii) the product of (A) the 1,178,038 shares of E-Z-EM common stock issuable upon exercise of all options to purchase E-Z-EM common stock that have an exercise price of less than the merger consideration of $21.00 per share, and (B) the excess of the merger consideration of $21.00 per share over $12.29, which is the weighted average exercise price of such options.

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(4) Proposed maximum aggregate value of transaction:

$243,047,240.00

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(5) Total fee paid:

$9,551.76

¨ 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:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

E-Z-EM, Inc.

1111 Marcus Avenue

Lake Success, New York 11042

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

[ ], 2008

Dear Stockholder:

You are cordially invited to attend the special meeting of stockholders of E-Z-EM, Inc. (E-Z-EM), to be held at [ ] on [ ], 2008, at [ ], local time.

At the special meeting, you will be asked to consider and vote upon a proposal to adopt an agreement and plan of merger, dated as of October 30, 2007, entered into by and among Bracco Diagnostics, Inc. (Bracco), Eagle Acquisition Sub, Inc., a wholly owned subsidiary of Bracco, E-Z-EM and, for the limited purposes specified in the merger agreement, Bracco Imaging S.p.A. and approve the transactions contemplated thereby, including the merger of Eagle Acquisition Sub, Inc. with and into us. If the merger is completed, we will become a wholly owned subsidiary of Bracco, and you will be entitled to receive $21.00 in cash, without interest and less any required withholding tax, for each share of our common stock that you own, unless you have properly exercised your appraisal rights.

Our board of directors has carefully reviewed and considered the terms and conditions of the proposed merger. Based on its review, our board of directors has unanimously approved and declared advisable the merger, the merger agreement and the transactions contemplated by the merger agreement (with Anthony A. Lombardo, a director and our President and Chief Executive Officer, and David P. Meyers, a director, abstaining) and has unanimously declared that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of us and our stockholders (with Mr. Lombardo and Mr. Meyers abstaining). **Our board of directors recommends that our stockholders vote FOR adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.**

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES OF OUR COMMON STOCK YOU OWN BECAUSE THE ADOPTION OF THE MERGER AGREEMENT AND THE APPROVAL OF THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE MERGER, REQUIRE THE AFFIRMATIVE VOTE OF THE HOLDERS OF AT LEAST A MAJORITY OF OUR OUTSTANDING SHARES OF COMMON STOCK ENTITLED TO VOTE THEREON, A FAILURE TO VOTE WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE ADOPTION OF THE MERGER AND THE APPROVAL OF THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE MERGER. ACCORDINGLY, YOU ARE REQUESTED TO SUBMIT YOUR PROXY BY PROMPTLY COMPLETING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE ENVELOPE PROVIDED OR TO VOTE BY TELEPHONE PURSUANT TO THE INSTRUCTIONS IN THIS PROXY STATEMENT PRIOR TO THE SPECIAL MEETING, WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING.

Submitting your proxy or voting by telephone will not prevent you from voting your shares in person if you subsequently choose to attend the special meeting.

Holders of approximately [33]% of our outstanding shares of common stock entitled to vote on the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, have agreed, pursuant to a voting agreement, to vote in favor of the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger.

If you sign, date and mail your proxy and do not indicate how you want to vote, your proxy will be voted FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger. If you hold your shares in street name, you should instruct your broker how to vote in accordance with your voting instruction form.

The accompanying proxy statement provides you with information about the proposed merger and the special meeting of our stockholders. We encourage you to read the entire proxy statement carefully. You may also obtain more information about us from documents we have filed with the Securities and Exchange Commission.

Table of Contents

Thank you for your cooperation and continued support.

Sincerely,

Paul S. Echenberg

Chairman of the Board of Directors

[ ], 2008

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger agreement or the transactions contemplated thereby, including the proposed merger, or passed upon the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offense.

This proxy statement is dated [ ], and is first being mailed to stockholders of E-Z-EM on or about [ ].

Table of Contents

1111 Marcus Avenue

Lake Success, New York 11042

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be Held on [ ], 2008

To the Stockholders of E-Z-EM, Inc.:

Notice is hereby given that a special meeting of the stockholders of E-Z-EM, Inc. (E-Z-EM) will be held at [ ] on [ ], 2008, at [ ], local time, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of October 30, 2007, by and among Bracco Diagnostics, Inc. (Bracco), Eagle Acquisition Sub. Inc., a wholly owned subsidiary of Bracco (Merger Sub), E-Z-EM, and, for the limited purposes specified in the merger agreement, Bracco Imaging S.p.A. (a copy of the merger agreement is attached as Annex A to the enclosed proxy statement), and approve the transactions contemplated thereby, including the merger, pursuant to which Merger Sub will merge with and into E-Z-EM, with E-Z-EM continuing as the surviving corporation and a wholly owned subsidiary of Bracco, and each outstanding share of our common stock (other than shares owned by us, Bracco, or Merger Sub, or our respective wholly owned subsidiaries and other than shares for which appraisal rights have been validly exercised under Delaware law) will be converted into the right to receive $21.00 in cash, without interest and less any required withholding tax;

2. To approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement; and

3. To transact such other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

Holders of record of shares of our common stock at the close of business on [ ], 2008, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement of the special meeting.

Our board of directors recommends that you vote FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

We cannot complete the merger unless the merger agreement is adopted and the transactions contemplated thereby, including the merger, are approved by the affirmative vote of the holders of at least a majority of the shares of our common stock outstanding at the close of business on [ ], 2008.

Under Delaware law, holders of shares of our common stock who do not vote in favor of the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they submit a written demand for an appraisal prior to the vote on the merger agreement and if they comply with the Delaware law procedures explained in the accompanying proxy statement. See The Merger Appraisal Rights beginning on page [ ] and Annex C of the accompanying proxy statement, which contains the text of Section 262 of the General Corporation Law of the State of Delaware.

Whether or not you plan to attend the special meeting, please vote your shares as soon as possible. You can vote your shares prior to the special meeting (1) by mail with the enclosed proxy card, in accordance with the instructions on the proxy card or (2) by telephone by calling the toll-free number that appears on the enclosed proxy card and following the instructions given that appear on the enclosed proxy card. Executed proxy cards

Table of Contents

with no instructions indicated thereon will be voted FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting, to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, provided that no proxy that is specifically marked AGAINST the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, will be voted in favor of the adjournment or postponement proposal, unless it is specifically marked FOR the adjournment or postponement proposal. Even if you have returned your proxy, or voted by telephone, you may still vote in person if you attend the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain from the record holder a proxy issued in your name. If you fail to return your proxy or to vote in person at the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting, and will have the same effect as voting against the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and will have no effect on the proposal to adjourn or postpone the special meeting for the purpose of soliciting additional proxies.

Please do not send any stock certificates at this time.

By order of the Board of Directors,

Peter J. Graham
Corporate Secretary
Lake Success, New York
[ ], 2008

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers address briefly some questions you may have regarding the special meeting and the proposed merger. These questions and answers may not address all questions that may be important to you as a stockholder of E-Z-EM, Inc. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement. In this proxy statement, the terms E-Z-EM, Company, we, our, ours, and us refer to E-Z Inc., and references to subsidiaries of E-Z-EM, the Company or ours include all wholly owned subsidiaries of E-Z-EM.

Q: What is the proposed transaction that I am being asked to vote on?

A. The proposed transaction is the acquisition of E-Z-EM by Bracco Diagnostics, Inc., a Delaware corporation that we refer to in this proxy statement as Bracco, pursuant to an Agreement and Plan of Merger, dated as of October 30, 2007, by and among Bracco, Eagle Acquisition Sub, Inc., a wholly owned subsidiary of Bracco that we refer to in this proxy statement as Merger Sub, E-Z-EM, and for the limited purposes specified therein, Bracco Imaging S.p.A. If the merger agreement is adopted and the transactions contemplated thereby, including the merger, are approved by our stockholders and the other closing conditions set forth in the merger agreement are satisfied or waived, Merger Sub will merge with and into E-Z-EM, with E-Z-EM continuing as the surviving corporation in the merger and a wholly owned subsidiary of Bracco.

Q: What will I receive in the merger?

A: Upon completion of the merger, you will be entitled to receive $21.00 in cash, without interest and less any required withholding tax, for each share of our common stock that you own. For example, if you own 100 shares of our common stock, you will receive $2,100.00 in cash in exchange for your shares of common stock, without interest and less any required withholding tax. You will not own shares in the surviving corporation.

Q: Where and when is the special meeting?

A: The special meeting will take place at [ ], on [ ], 2008, at [ ], local time.

Q: What matters will I be asked to vote on at the special meeting?

A: You will be asked to vote on a proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, and a proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger.

Q: Who is eligible to vote at the special meeting?

A: Holders of our common stock at the close of business on [ ], 2008, the record date for the special meeting, are entitled to receive notice of the special meeting and to vote the shares of our common stock that they held at that time at the special meeting, or at any adjournments or postponements of the special meeting.

Q: How does the E-Z-EM board of directors recommend that I vote?

A: Our board of directors recommends that our stockholders vote FOR the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger. You should read The Merger Reasons for the Merger for a discussion of the factors that our board of directors considered in deciding to recommend the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger.

Table of Contents

Q: What vote of our stockholders is required to adopt the merger agreement and approve the transactions contemplated thereby, including the merger?

A: For us to complete the merger, stockholders holding at least a majority of the shares of our common stock outstanding at the close of business on [ ], 2008, the record date for the special meeting, must vote FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger.

In connection with the execution of the merger agreement, on October 30, 2007, certain stockholders of E-Z-EM who as of the record date collectively owned an aggregate of approximately [33]% of our outstanding shares of common stock, entered into a voting agreement with Bracco and us in which these stockholders agreed, subject to the terms and conditions of the voting agreement, to vote their shares in favor of adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and against any competing transaction proposed to E-Z-EM, unless, among other things, the merger agreement is terminated in accordance with its terms.

Q: What vote of our stockholders is required to approve the adjournment or postponement of the special meeting?

A: The proposal to adjourn or postpone the special meeting for the purpose of soliciting additional proxies, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, requires the affirmative vote of stockholders holding a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter.

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. You can vote your shares prior to the special meeting (1) by mail with the enclosed proxy card, in accordance with the instructions on the proxy card or (2) by telephone by calling the toll-free number that appears on the enclosed proxy card and following the instructions given.

The telephone voting procedures are designed to authenticate stockholders identities, to allow stockholders to give their voting instructions and to confirm that stockholders instructions have been recorded properly. You should be aware that in submitting voting instructions by telephone, you may incur costs such as telephone charges for which you will be responsible.

If you are voting by telephone, your voting instructions must be received by [ ], 2008.

Q: Am I entitled to appraisal rights?

A: Under the General Corporation Law of the State of Delaware, holders of our common stock who do not vote in favor of adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they submit a written demand for an appraisal prior to the vote on the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, vote against, or abstain from voting for, the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, and otherwise comply with the Delaware law procedures explained in this proxy statement.

Q: Is the merger expected to be taxable to me?

A:

Generally, yes. The receipt of $21.00 in cash for each share of our common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. For U.S. federal income tax purposes, you will generally recognize gain or loss as a result of the merger measured by the difference, if any, between the amount per share merger consideration you receive and your adjusted tax basis in that share.

Table of Contents

You should read The Merger Material U.S. Federal Income Tax Consequences beginning on page [ ] for a more complete discussion of the federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. You should also consult your tax advisor on the tax consequences of the merger to you.

Q: How do I cast my vote?

A: If you are the holder of record of shares of common stock, you can vote by any of the following methods:

- you may indicate your vote on the enclosed proxy card and complete, sign, date and return the proxy card in the accompanying pre-addressed, postage paid envelope;
- you may vote by telephone by calling the toll-free number that appears on the enclosed proxy card and following the instructions given; or
- you may attend the special meeting and vote in person.

If you sign, date and mail your proxy and do not indicate how you want to vote, your proxy will be voted FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, provided that no proxy that is specifically marked AGAINST the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, will be voted in favor of the adjournment proposal, unless it is specifically marked FOR the adjournment or postponement proposal.

Q: If my E-Z-EM shares are held in street name by my broker or bank, will my broker or bank vote my shares for me?

A: Yes, but only if you provide instructions on how to vote. You should follow the directions provided by your broker or bank regarding how to instruct your broker or bank to vote your shares. Without instructions, your shares will not be voted, which will have the effect of a vote against the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger.

Q: What happens if I vote to abstain or fail to vote on the proposals or instruct my broker to vote on the proposals?

A: If you abstain, or fail to vote in person, by proxy, or by telephone, or fail to give voting instructions to your broker, bank or other nominee, it will have the same effect as a vote against the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger. If you vote to abstain, it will have the effect of a vote against the proposal to adjourn or postpone the special meeting for the purpose of soliciting additional proxies, but if you fail to vote or to give instructions to your broker or nominee, it will have no effect on the proposal to adjourn or postpone the special meeting.

Q: Can I change my vote after I have returned my proxy?

A: Yes. If you are a stockholder of record, you may revoke your proxy and change your vote at any time before your proxy card is voted at the special meeting in one of four ways:

by providing a written instrument or transmission to our corporate secretary that you revoke your proxy;

by completing and submitting to our corporate secretary a proxy in writing via mail dated later than your original proxy relating to the same shares;

by voting by telephone following the date of your original proxy relating to the same shares; or

by attending the special meeting and voting in person, which will automatically cancel any proxy previously given; your attendance at the special meeting alone, however, will not revoke any proxy that you have previously given.

Table of Contents

If you have instructed a broker, bank or other nominee to vote your shares, you must follow the directions received from your broker, bank or other nominee to change those instructions.

Q: Should I send in my stock certificates now?

A: No. If the merger is completed, you will receive a transmittal form with instructions for the surrender of certificates formerly representing shares of our common stock. **PLEASE DO NOT SEND IN YOUR STOCK CERTIFICATES WITH YOUR PROXY.**

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q: Does Bracco have the financial resources to finance the merger?

A. The merger is not conditioned upon Bracco or Merger Sub obtaining financing. The total amount of funds necessary to pay the merger consideration will be approximately $243.0 million. Bracco Imaging has informed us that the payments of the merger consideration are expected to be funded by a combination of available cash and debt financing. Bracco Imaging has also informed us that it has entered into three bilateral committed credit facilities totalling EUR 300 million. Bracco Imaging has agreed to take all action necessary to cause Bracco and Merger Sub to perform their respective obligations under the merger agreement, including by providing Bracco or Merger Sub, as the case may be, with all necessary funds to enable Bracco or Merger Sub to pay the merger consideration. See The Merger Financing for the Merger.

Q: When do you expect the merger to be completed?

A: We are working to complete the merger as quickly as possible and we currently anticipate completing the merger in the first or second calendar quarter of 2008. However, we cannot predict the exact timing of the merger because the merger is subject to regulatory approvals and other closing conditions. While we expect to obtain all required regulatory approvals, we cannot assure you that these regulatory approvals will be obtained and, even if they are ultimately obtained, they might not be obtained for a substantial period of time following the special meeting.

Q: What happens if the merger is not completed?

A: If the merger agreement is not adopted by our stockholders and the transactions contemplated thereby, including the merger, are not approved or if the merger is not completed for any other reason, the merger will not occur and stockholders will not receive any payment for their shares pursuant to the merger agreement. Instead, we will remain an independent public company and our common stock will continue to be quoted and traded on the Nasdaq Global Market.

Q: Will a proxy solicitor be used?

A: Yes. We have engaged [ ] to assist in the solicitation of proxies for the special meeting for a fee of approximately $[ ], reimbursement of reasonable out-of-pocket expenses and indemnification against certain losses, costs and expenses.

Q: Can I vote by telephone?

A: If you hold your shares in your name as an E-Z-EM stockholder of record, you may vote your shares by telephone by following the instructions included with your proxy card. If your shares are held in street name through your broker, bank or other custodian, please check the voting instruction card you received or contact your broker, bank or other custodian to determine whether you will be able to vote your shares by telephone.

Table of Contents

Q: Who can help answer my questions?

A: If you need assistance in completing your proxy card or voting your shares or have questions regarding the special meeting, please contact [ ] at [ ] (toll-free) or [ ] (collect) or write to the following address:

[ ]

If your broker, bank or other nominee holds your shares, you should also call your broker, bank or other nominee for additional information.

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement and may not contain all the information that is important to you. You should carefully read this entire proxy statement and the other documents to which we have referred you. See also Where You Can Find Additional Information on page [ ]. We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.

The Parties to the Merger (see page [ ])

E-Z-EM, Inc.

1111 Marcus Avenue, Suite LL-26

Lake Success, New York 11042

(516) 333-8230

E-Z-EM is a leading provider of medical devices and contrast products used by radiologists, gastroenterologists and speech language pathologists primarily in screening for and diagnosing diseases and disorders of the gastrointestinal (GI) tract. E-Z-EM develops, manufactures and markets medical diagnostic products used for computed tomography and magnetic resonance imaging, colorectal cancer screening, evaluation of swallowing disorders (dysphagia), and testing for other diseases and disorders of the GI system. Additionally, E-Z-EM sells RSDL™ a liquid skin decontaminant that neutralizes or removes chemical warfare agents such as Sarin or VX in seconds, leaving a non-toxic liquid that can be washed away with water to the U.S. and Canadian armed forces and branches of a number of other armed forces in Europe and elsewhere. E-Z-EM is the exclusive worldwide licensee for RSDL™ to the military and first responder markets. E-Z-EM also provides contract manufacturing services to third parties. E-Z-EM was incorporated in New York in 1962 and reorganized in Delaware in 1983 when it completed its initial public offering. E-Z-EM s common stock is publicly traded on the Nasdaq Global Market under the symbol EZEM .

Bracco Diagnostics, Inc.

107 College Road East

Princeton, New Jersey 08540

(604) 514-2200

Bracco was created in 1994, after the purchase of Squibb Diagnostics by the Bracco group. Bracco is responsible for developing new clinical agents, filing them with appropriate regulatory agencies, and selling and marketing all Bracco group products in the United States and Canada. Bracco is a wholly owned subsidiary of Bracco Imaging S.p.A.

Eagle Acquisition Sub, Inc.

c/o Bracco Diagnostics, Inc.

107 College Road East

Princeton, New Jersey 08540

(604) 514-2200

Merger Sub is a newly formed Delaware corporation and a wholly owned subsidiary of Bracco. Merger Sub was formed on October 29, 2007 for the sole purpose of merging with and into E-Z-EM (with E-Z-EM continuing as the surviving corporation), and has not engaged in any activities other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement.

Table of Contents

Bracco Imaging S.p.A.

Via E. Folli 50

Milan, Italy 20134

011-39-0221771

Bracco Imaging is a world leader in the imaging agent business with products sold in over 80 countries and approximately 1,250 employees. Bracco Imaging is headquartered in Milan, Italy, and is a subsidiary of Bracco S.p.A., the holding company of the Bracco group, which markets ethical and over-the-counter pharmaceutical products and provides healthcare services in Italy, as well as advanced medical technology systems worldwide through the Bracco AMT companies, ACIST Medical Systems and Volume Interactions.

The Merger (see page [ ])

Structure of the Merger (see page [ ]). This proxy statement relates to the proposed acquisition of E-Z-EM by Bracco pursuant to an agreement and plan of merger, dated as of October 30, 2007, by and among Bracco, Merger Sub, E-Z-EM and, for the limited purposes specified in the merger agreement, Bracco Imaging S.p.A. We have attached a copy of this agreement, which we refer to as the merger agreement, as Annex A to this proxy statement. We encourage you to read the merger agreement in its entirety.

Effects of the Merger (see page [ ]). If the merger agreement is adopted and the transactions contemplated hereby, including the merger, are approved by our stockholders and the other conditions to closing are satisfied or waived, Merger Sub will merge with and into E-Z-EM, with E-Z-EM surviving the merger as a wholly owned subsidiary of Bracco. We sometimes refer to E-Z-EM in this proxy statement as the surviving corporation of the merger. At the effective time of the merger, each share of our common stock (other than shares owned by us, Bracco, or Merger Sub, or our respective wholly owned subsidiaries and other than shares for which appraisal rights have been validly exercised under Delaware law) will be converted into the right to receive $21.00 per share, without interest and less any required withholding tax. Following the completion of the merger, we will no longer be a public company and you will cease to have any ownership interest in us and will not participate in any future earnings and growth of us.

Merger Consideration (see page [ ]). At the effective time of the merger, each share of our common stock (other than shares owned by us, Bracco, or Merger Sub, or our respective wholly owned subsidiaries and other than shares for which appraisal rights have been validly exercised under Delaware law) will be converted into the right to receive $21.00 in cash, without interest and less any required withholding tax. Based on the number of shares of common stock outstanding on January 11, 2008, the aggregate consideration paid by Bracco to our stockholders will be approximately $232,786,680 million. In addition, an aggregate of approximately $10,260,560 will be payable by Bracco to holders of outstanding E-Z-EM options that have an exercise price per share that is less than the per share merger consideration.

Completion. We are working to complete the merger as soon as possible. We anticipate completing the merger during the first or second calendar quarter of 2008, subject to the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, by our stockholders and the satisfaction or waiver of the other closing conditions.

The Special Meeting (see page [ ])

Date, Time and Place (see page [ ]). The special meeting of our stockholders will be held at [ ], at [ ], local time, on [ ], 2008. At the special meeting, our stockholders will be asked to vote on the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, and the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger.

Table of Contents

Record Date, Voting Power (see page [ ]). Our stockholders are entitled to vote at the special meeting if they owned shares of our common stock as of the close of business on [ ], the record date for the special meeting. On the record date, there were [ ] shares of our common stock entitled to vote at the special meeting. Stockholders will have one vote at the special meeting for each share of our common stock that they owned on the record date.

Voting (see page [ ]). Stockholders of record can vote by any of the following methods:

- by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed, postage paid envelope;
- by calling the toll-free number that appears on the enclosed proxy card and following the instructions given; or
- by attending the special meeting (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting) and voting in person by ballot at the special meeting.

Brokers or banks holding shares of our common stock in street name may vote the shares only if the underlying stockholders provide instructions on how to vote. Brokers or banks will provide stockholders with directions on how to instruct the broker or bank to vote the shares. All properly completed proxies that we receive prior to the vote at the special meeting, and that are not revoked, will be voted in accordance with the instructions indicated on the proxies. If no direction is indicated on a properly completed proxy returned to us, the underlying shares will be voted FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the proposal to adjourn or postpone the special meeting to solicit additional proxies, provided that no proxy that is specifically marked AGAINST the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, will be voted in favor of the adjournment or postponement proposal, unless it is specifically marked FOR the adjournment or postponement proposal.

As of the date of this proxy statement, we know of no matters that will be presented for consideration at the special meeting other than as described in this proxy statement. If, however, other matters are brought before the special meeting, the persons named as proxies will vote in accordance with their judgment on such other matters unless otherwise indicated on the proxy.

Revocability of Proxies (see page [ ]). You may change your vote at any time before your proxy is voted at the special meeting in one of four ways:

- by providing a written instrument or transmission to our corporate secretary stating that you revoke your proxy;
- by completing and submitting to our corporate secretary a proxy in writing via mail dated later than your original proxy relating to the same shares;
- by voting by telephone following the date of your original proxy relating to the same shares; or
- by attending the special meeting and voting in person, which will automatically cancel any proxy previously given; your attendance at the special meeting alone, however, will not revoke any proxy that you have previously given.

If you instructed your broker to vote your shares, you must follow directions from your broker to change those instructions.

Vote Required (see page [ ]). Approval of the proposal to adopt the merger agreement requires the affirmative vote of stockholders holding at least a majority of the shares of our common stock outstanding at the close of business on [ ], the record date for the special meeting. Approval of the proposal to adjourn or

Table of Contents

postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, requires the affirmative vote of stockholders holding a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter.

Voting Agreement (see page [ ]). In connection with the execution of the merger agreement, certain stockholders of E-Z-EM, who, as of the record date, collectively owned an aggregate of approximately [33%] of our outstanding shares of common stock, have entered into a voting agreement with Bracco and us pursuant to which such stockholders have agreed, subject to the terms and conditions of the voting agreement, to vote in favor of the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and against any acquisition proposal (as defined in the merger agreement) or any action that is intended or would reasonably be expected to prevent or materially delay the merger and the other transactions contemplated by the merger agreement, unless, among other things, the merger agreement is terminated in accordance with its terms. A copy of the voting agreement is attached as Annex D to this proxy statement, and you are encouraged to read it in its entirety.

Shares Owned by Our Directors and Executive Officers (see page [ ]). On [ ], the record date for the special meeting, our directors and executive officers beneficially owned and were entitled to vote approximately [9.7]% of the shares of our common stock outstanding on that date (excluding options). David P. Meyers, one of our directors, and members of his immediate family, and Peter J. Graham, our Senior Vice President Chief Legal Officer, Global Human Resources and Secretary, and one of his immediate family members, are parties to the voting agreement.

Recommendation of Our Board of Directors (see page [ ])

Our board of directors has unanimously determined (with Anthony A. Lombardo, a director and our President and Chief Executive Officer, and David P. Meyers, a director, abstaining) that the merger agreement is advisable and in the best interests of us and our stockholders. Our board of directors recommends that our stockholders vote FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger.

Opinion of Our Financial Advisor (see page [ ])

RBC Capital Markets Corporation, or RBC, rendered its opinion to our board of directors that, as of October 29, 2007, and based upon and subject to the factors and assumptions set forth therein, the merger consideration of $21.00 per share of common stock in cash to be received by the holders of shares of our common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of RBC, dated October 29, 2007, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this proxy statement. We urge you to read the opinion carefully and in its entirety. RBC provided its opinion for the information and assistance of our board of directors in connection with its consideration of the merger. The RBC opinion is not a recommendation as to how any holder of shares of our common stock should vote with respect to the merger. Pursuant to a letter agreement between RBC and us, RBC has earned a $50,000 advisory fee, and a fee of $350,000 for delivery of its opinion, each of which will be credited against the transaction fee, and will be paid a transaction fee of $1,750,000 plus an incentive fee equal to approximately $368,000, for its services as our financial advisor in connection with the merger. The payment of the transaction fee is contingent upon the completion of the merger.

Table of Contents

Interests of Our Directors and Executive Officers in the Merger (see page [ ])

In considering the recommendation of our board of directors to vote for the proposal to adopt the merger agreement, you should be aware that all of our directors and executive officers have personal interests in the merger that are, or may be, different from, or in addition to, our stockholders interests, which may present them with actual or potential conflicts of interest. Our executive officers (including Anthony A. Lombardo, who is also a member of our board of directors) are entitled to benefits under their change in control agreements with us pursuant to which they will receive severance benefits if following the completion of the merger their employment is terminated under specified circumstances. Additionally, all options with a per share exercise price that is less than the per share merger consideration held by our directors and executive officers to purchase shares of common stock granted under our employee benefit plans will be cashed out in the merger, as described under Treatment of Our Stock Options, below. In addition, the merger agreement provides for the continued indemnification of, and advancement of expenses to, our directors and officers following the effective time of the merger.

Our board of directors was aware of these interests and considered them, among other matters, prior to recommending the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger.

Treatment of Our Stock Options (see page [ ])

All options to purchase shares of our common stock granted under our 1983 Stock Option Plan, 1984 Directors and Consultants Stock Option Plan, and 2004 Stock and Incentive Award Plan, including any unvested portion of such options, with a per share exercise price that is less than the per share merger consideration, will be cashed out in the merger. For these purposes, cashed out in the merger means that the option, whether vested or unvested, will be cancelled in the merger in exchange for a cash payment equal to the product of (i) the excess, if any, of the per share merger consideration of $21.00 over the applicable per share option exercise price and (ii) the number of shares of our common stock subject to the option at such time, without interest and less any applicable withholding tax. The aggregate cash-out value of all of our options that are in the money is approximately $10,260,560.

Material U.S. Federal Income Tax Consequences (see page [ ])

The receipt of the per share merger consideration of $21.00 in cash in exchange for each share of our common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. For U.S. federal income tax purposes, you will generally recognize gain or loss as a result of the merger measured by the difference, if any, between the per share merger consideration for each share of common stock and your adjusted tax basis in that share.

You should read The Merger Material U.S. Federal Income Tax Consequences beginning on page [ ] for a more complete discussion of the federal income tax consequences of the merger. Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. We urge you to consult your tax advisor on the tax consequences of the merger to you.

Appraisal Rights (see page [ ])

Holders of record of shares of our common stock who do not wish to accept the cash consideration payable pursuant to the merger may seek, under Section 262 of the General Corporation Law of the State of Delaware, judicial appraisal of the fair value of their shares by the Delaware Court of Chancery. This value could be more or less than or the same as the merger consideration for the common stock. This right to appraisal is subject to a number of restrictions and technical requirements. Generally, in order to properly demand appraisal, among other things:

- you must not vote in favor of the proposal to adopt the merger agreement and approve the transactions contemplated hereby, including the merger;

Table of Contents

you must make a written demand on us for appraisal in compliance with the General Corporation Law of the State of Delaware before the vote on the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, at the special meeting; and

you must hold your shares of record continuously from the time of making a written demand for appraisal through the effective time of the merger.

Merely voting against the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, will not preserve your right to appraisal under Delaware law. Also, because a submitted proxy not marked against or abstain will be voted FOR the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, the submission of a proxy not marked against or abstain will result in the loss of appraisal rights. If you hold shares in the name of a broker or other nominee, you must instruct your nominee to take the steps necessary to enable you to demand appraisal for your shares. If you or your nominee fails to follow all of the steps required by Section 262 of the General Corporation Law of the State of Delaware, you will lose your right of appraisal.

Annex C to this proxy statement contains the full text of Section 262 of the General Corporation Law of the State of Delaware, which relates to your right of appraisal. We encourage you to read these provisions carefully and in their entirety.

Conditions to Completion of the Merger (see page [ ])

The obligations of each of Bracco and Merger Sub, on the one hand, and E-Z-EM, on the other hand, to complete the merger depend on the satisfaction or waiver of, at or prior to the effective time of the merger, a number of conditions, including:

expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act);

expiration of the waiting period of, or receipt of approval under, applicable German competition regulations;

expiration or termination of the review period or receipt of clearance under the Exon-Florio provision of the Defense or Termination Production Act of 1950 (the Exon-Florio provision);

the amendment of the Establishment Registrations and Product Listings under the United States Food and Drug Administration regulations (which together with the approvals described in the bullet points immediately above and any other regulatory approval required by any governmental entity in connection with the merger are referred to in this proxy statement as the required approvals);

receipt by us of the affirmative vote of the holders of a majority of our common stock outstanding on the record date for the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, at the special meeting;

no order suspending the use of this proxy statement shall have been issued or be in effect and no proceeding by the Securities and Exchange Commission for that purpose shall be continuing; and

absence of any order by a governmental entity making illegal or prohibiting the completion of the merger, provided that the party claiming failure of this condition must have used commercially reasonable efforts to have such order vacated.

The obligations of Bracco and Merger Sub to complete the merger are subject to the satisfaction or waiver of the following additional conditions at or prior to the effective time of the merger:

our representations and warranties in the merger agreement (other than the representation set forth in the immediately following bullet) being true and correct as of October 30, 2007 and as of the effective time of the merger (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except for failures to be true and correct that individually or in the aggregate would not have or reasonably likely have a material adverse effect on us (defined as a company material adverse

Table of Contents

effect in the merger agreement and referred to in this proxy statement as a material adverse effect on us), provided, that in determining whether this condition is satisfied, references to any material adverse effect on us or any other materiality qualification contained in such representations and warranties will be ignored;

our representation and warranty in the merger agreement regarding the absence of changes or events since June 2, 2007, that may be reasonably expected to have a material adverse effect on us, being true and correct as of October 30, 2007 and the effective time;

our performance in all material respects of our obligations under the merger agreement;

our delivery to Bracco of a certificate executed by our Chief Executive Officer and Chief Financial Officer certifying as to the satisfaction of the preceding three conditions;

our receipt of all consents and approvals of third parties in connection with the merger agreement and the transactions contemplated by the merger agreement, other than consents or approvals which, if not obtained, would not reasonably be expected to result in a material adverse effect on us;

no governmental entity having issued or enacted any order that would reasonably be expected to result in a materially burdensome condition (as this term is defined in the merger agreement and described on page [ ]);

no effect having occurred since the date of the merger agreement that, individually or in the aggregate, has had or would be reasonably expected to have, a material adverse effect on us;

holders of no more than 10% of our outstanding shares of common stock having exercised their appraisal rights; and

no action we take without Bracco s consent in order to comply with any law applicable to us having resulted in our failure to materially comply with our conduct of business covenant set forth in Section 5.01(a) of the merger agreement, it being understood that we will not be deemed to be in breach of any representation or warranty relating to such law if Bracco refuses to provide such consent.

Please refer to the descriptions of material adverse effect on us and materially burdensome condition on pages [ ] and [ ], respectively.

Our obligation to complete the merger is subject to the satisfaction or waiver of the following additional conditions at or prior to the effective time of the merger:

the representations and warranties of Bracco and Merger Sub in the merger agreement being true and correct as of October 30, 2007 and as of the effective time of the merger (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except for failures to be true and correct that individually or in the aggregate would not prevent or materially delay the ability of Bracco and Merger Sub to perform their respective obligations under the merger agreement; provided, that in determining whether this condition is satisfied, references to any materiality qualification contained in such representations and warranties will be ignored;

Bracco and Merger Sub having performed in all material respects their obligations under the merger agreement; and

Bracco having delivered to us a certificate executed by its Chief Executive Officer or Chief Financial Officer certifying as to the satisfaction of the preceding two conditions.

Bracco and E-Z-EM cannot be certain of when, or if, the conditions to the merger will be satisfied or, where permissible, waived, or whether or not the merger will be completed.

Table of Contents

No Solicitation of Other Acquisition Proposals by E-Z-EM (see page [ ])

The merger agreement requires us to refrain from soliciting or facilitating (including by way of furnishing non-public information) any acquisition proposal (as such term is defined in the merger agreement and described on page [ ]) or initiating or facilitating any discussions or negotiations regarding, furnishing to any third party any information with respect to, or otherwise cooperating in any way with, any acquisition proposal. However, if at any time prior to our stockholders adoption of the merger agreement and approval of the transactions contemplated thereby, including the merger, we receive an unsolicited *bona fide* written acquisition proposal from a third party, we may furnish non-public information about us to such third party and may participate in discussions and negotiations regarding such proposal if:

- our board of directors determines in good faith (after receiving the advice of our outside legal counsel and financial advisor) that the failure to take such action would reasonably be likely to result in a breach of its fiduciary duties under applicable law and such acquisition proposal either constitutes a superior proposal (as such term is defined in the merger agreement and described on page [ ]) or is reasonably likely to result in a superior proposal; and

- prior to taking such action, we enter into a confidentiality agreement with respect to such proposal that contains confidentiality and standstill provisions no less restrictive than our confidentiality agreement with Bracco.

In addition, we must promptly advise Bracco orally (with written confirmation to follow within 24 hours) after our receipt of any acquisition proposal, including the material terms and conditions thereof and the identity of the third party making any such proposal and keep Bracco reasonably informed on a prompt basis of the status and material terms of any such proposal.

Our board of directors cannot make an adverse recommendation (as such term is defined in the merger agreement as described on page [ ]). However, if we receive an unsolicited written acquisition proposal prior to our stockholders adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and we have complied with the non-solicitation provisions of the merger agreement, we may take such action, if our board of directors has determined in good faith (after receiving the advice of its outside legal counsel and financial advisor) that it is required to make such adverse recommendation in order to comply with its fiduciary duties under applicable law, and such acquisition proposal constitutes a superior proposal.

Additionally, we must provide Bracco at least five business days prior written notice before making an adverse recommendation and any amendment to the consideration to be paid in connection with the superior proposal or material amendment to such superior proposal will require a new three business day notice period. During such five-day (or, if applicable, three-day) period, we are obligated to negotiate in good faith with Bracco so as to permit Bracco and its representatives to amend the merger agreement in such a manner so that the competing acquisition proposal will no longer constitute a superior proposal. After an adverse recommendation is properly made, we may enter into an acquisition agreement for a superior proposal if the merger agreement is terminated and we concurrently pay any amount due to Bracco, as summarized below under Termination of the Merger Agreement Termination Fee.

The provisions of the merger agreement summarized above are referred to in this proxy statement as the non-solicitation provisions.

Table of Contents

Termination of the Merger Agreement (see page [ ])

The merger agreement may be terminated at any time prior to the effective time of the merger, regardless of whether our stockholders have adopted the merger agreement and the approval of the transactions contemplated thereby, including the merger:

by mutual written consent of Bracco and us;

by either Bracco or us if:

- our stockholders do not adopt the merger agreement and approve the transactions contemplated thereby, including the merger, at the special meeting, or at any permitted adjournment or postponement thereof, provided that we may not terminate the agreement for this reason if we are in material breach of the merger agreement;

- any order of any governmental entity that restrains, enjoins or otherwise prohibits completion of the merger becomes final and nonappealable; or

- the merger has not been completed on or before April 30, 2008, which we refer to as the outside date , provided, that the outside date will be extended to July 31, 2008, if on April 30, 2008, all of the closing conditions have been satisfied except those conditions relating to the receipt of required approvals.

by Bracco if:

- we breach or fail to perform any of our representations, warranties or covenants in the merger agreement, which breach would entitle Bracco not to close the merger based on the failure of the corresponding closing condition for its benefit, and such condition is incapable of being satisfied by the outside date or such breach is not cured within 30 days after we receive written notice of such breach from Bracco;

- our board of directors fails to recommend adoption of the merger agreement and approval of the transactions contemplated thereby, including the merger, in this proxy statement (or any supplement or amendment to this proxy statement), makes an adverse recommendation or resolves to do so, or fails to reconfirm its recommendation to our stockholders to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, within five days after being requested to do so by Bracco (subject to an additional five-day period if we certify to Bracco that our board is in good faith seeking additional information regarding its decision to reconsider its recommendation);

- a tender offer or exchange offer for any of our outstanding shares of common stock is publicly disclosed (other than by Bracco or any of its affiliates), and our board of directors recommends that our stockholders tender their shares in such offer;

- we materially breach or fail to perform any of our obligations contained in the non-solicitation provisions, our stockholders do not adopt the merger agreement and approve the transactions contemplated thereby, including the merger, at the special meeting (or any permitted adjournment or postponement of the special meeting), and on or prior to the date of the special meeting an acquisition proposal is publicly announced by any person or group (other than Bracco or any of its affiliates) or publicly disclosed by us, and remains outstanding at the time of termination; or

a governmental authority enacts or issues a final and non-appealable order that would reasonably be expected to result in a materially burdensome condition;

by us if:

prior to our stockholders approval of the merger, our board of directors makes an adverse recommendation in accordance with the applicable non-solicitation provisions, terminates the merger agreement and concurrently pays Bracco the termination fee described below; or

Bracco or Merger Sub breaches or fails to perform any of its representations, warranties or covenants in the merger agreement, which breach would entitle us not to close the merger based

Table of Contents

on the failure of the corresponding closing condition for our benefit, and such condition is incapable of being satisfied by the outside date or such breach is not cured within 30 days after Bracco receives written notice of such breach from us.

Termination Fee (see page [ ]). We have agreed to pay Bracco a cash termination fee of $9.0 million if:

prior to our stockholders adoption of the merger agreement and approval of the transactions contemplated thereby, including the merger, we terminate the merger agreement to enter into a definitive agreement to effect a superior proposal in accordance with the applicable non solicitation provisions;

the merger agreement is terminated by Bracco because our board of directors fails to recommend adoption of the merger agreement and approval of the transactions contemplated thereby, including the merger, in this proxy statement (or any supplement or amendment to this proxy statement), makes an adverse recommendation or resolves to do so, fails to reconfirm its recommendation to our stockholders to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, within five days after being requested to do so by Bracco (subject to an additional five-day period if we certify to Bracco that our board is in good faith seeking additional information regarding its decision to reconsider its recommendation), or a tender offer or exchange offer for any of our outstanding shares of common stock is publicly disclosed (other than by Bracco or any of its affiliates) and our board of directors recommends that our stockholders tender their shares in such offer;

at any time after October 30, 2007 and before the merger agreement is terminated (as provided below) an acquisition proposal has been publicly announced by any person or group (other than Bracco or any of its affiliates) or publicly disclosed by us and remains outstanding at the time of the termination of the merger agreement and within twelve months of the termination of the merger agreement we have entered into a definitive agreement regarding, or have consummated, any acquisition proposal (substituting 60% for 20% in the definition of acquisition proposal discussed on page [ ]), whether or not the consummated acquisition proposal is the same as the acquisition proposal so announced or publicly disclosed; and

without the special meeting having occurred, the merger agreement is terminated by either Bracco or us because the merger has not been completed prior to April 30, 2008 (or July 31, 2008, if the merger has not been completed by April 30, 2008, but only if on such date all of the closing conditions have been satisfied, except those conditions relating to the receipt of required approvals);

the merger agreement is terminated by either Bracco or us because our stockholders do not adopt the merger agreement and approve the transactions contemplated thereby, including the merger, at the special meeting (or at any adjournment or postponement permitted under the merger agreement); or

the merger agreement is terminated by Bracco because we have breached or failed to perform any of our representations, warranties or covenants in the merger agreements, and such breach or failure to perform would entitle Bracco not to complete the merger based on the corresponding closing condition for its breach, and either such condition cannot be satisfied by the date by which the merger is required to be completed or we do not cure the breach within 30 days after we receive written notice of it from Bracco; or

at any time after October 30, 2007 and before the special meeting (or any adjournment or postponement permitted by the merger agreement) has occurred, an acquisition proposal has been publicly announced by any person or group (other than Bracco or any of its affiliates) or publicly disclosed by us and remains outstanding at the time of the termination of the merger agreement and within twelve

15

Table of Contents

months of the termination of the merger agreement we have entered into a definitive agreement regarding, or have consummated, any acquisition proposal (substituting 60% for 20% in the definition of acquisition proposal discussed on page [ ], whether or not the consummated acquisition proposal is the same as the acquisition proposal so announced or publicly disclosed) and the merger agreement is terminated by Bracco because we materially breach or fail to perform any of our obligations under the non-solicitation provisions in the merger agreement and our stockholders do not adopt the merger agreement and approve the transactions contemplated thereby, including the merger, at the special meeting (or any adjournment or postponement of the meeting).

Expenses (see page [ ]). The merger agreement generally provides that each of E-Z-EM and Bracco will pay its own costs and expenses incurred in connection with the merger agreement and the transactions contemplated thereby. However, we must reimburse Bracco for up to $2 million in reasonable out-of-pocket expenses incurred in connection with the merger agreement if the merger agreement is properly terminated by Bracco because:

we have breached any of our representations, warranties or covenants in the merger agreement and such breach would entitle Bracco not to close the merger based on the failure of the corresponding closing condition for its benefit; or

we materially breach or fail to perform any of our obligations under the non-solicitation provisions, our stockholders do not adopt the merger agreement at the special meeting (or any adjournment or postponement of the special meeting) and on or prior to the date of the special meeting an acquisition proposal is publicly announced by any person or group or publicly disclosed by us, and remains outstanding at the time of termination.

In addition, Bracco must reimburse us for up to $2 million in reasonable out-of-pocket expenses incurred in connection with the merger agreement if we properly terminate the merger agreement because Bracco has breached any of its representations, warranties or covenants in the merger agreement and such breach would entitle us not to close the merger based on the failure of the corresponding closing condition for our benefit.

Regulatory Approvals (see page [ ])

The merger is subject to discretionary review by the Antitrust Division of the U.S. Department of Justice and the Federal Trade Commission to determine whether it is in compliance with applicable U.S. antitrust laws. The HSR Act and the rules promulgated thereunder prohibit us from completing the merger until we have furnished certain information and materials to the Antitrust Division of the Department of Justice and the Federal Trade Commission, and the required waiting period has expired or been terminated. Bracco and we filed the required notification and report forms on December 13, 2007. The waiting period will expire at 11:59 p.m. on January 14, 2008, unless extended by a request for more information or shortened by an early termination notice. In addition, completion of the merger requires our receipt of approval under the German Act Against Restrictions of Competition from the German Federal Cartel Office, which was received on January 11, 2008. Further, we and Bracco have notified, under the Exon-Florio provision, the Committee on Foreign Investment in the United States (CFIUS) of the merger, and either the period for review by CFIUS must expire or terminate or we must receive notification that either CFIUS has determined not to further investigate the merger or that the President of the United States has decided not to block the merger. In connection with the merger, we are required to notify the Directorate of Defense Trade Controls of the U.S. Department of State pursuant to Section 122.4 of the International Traffic in Arms Regulation. All of the filings and notifications described above have been made. Until approvals or clearances have been received from the foregoing governmental authorities, or any required waiting periods have expired or been terminated, we are prohibited from completing the merger. [As of the date of this proxy statement, neither we nor Bracco have yet obtained any of the antitrust, competition or other regulatory approvals required to complete the merger other than the approval from the German Federal Cartel Office.] The parties have concluded that the approval of the United States Food and Drug Administration is not required to complete the merger.

Table of Contents

While we expect to obtain all required antitrust, competition or other approvals, we cannot assure you that these approvals will be obtained or that the granting of these approvals will not involve the imposition of conditions on the completion of the merger or require changes to the terms of the merger that would have a materially adverse effect on the surviving corporation. These conditions or changes could require the grant of a complete or partial license, a divestiture or spin-off, or the holding separate of assets or businesses and could result in the conditions to Bracco s obligation to complete the merger not being satisfied.

Financing of the Merger (see page [ ])

The merger is not conditioned upon Bracco or Merger Sub obtaining financing. The total amount of funds necessary to pay the merger consideration will be approximately $243.0 million. Bracco Imaging has informed us that the payments of the merger consideration are expected to be funded by a combination of available cash and debt financing. Bracco Imaging has also informed us that it has entered into three bilateral committed credit facilities totalling EUR 300 million. Bracco Imaging has agreed to take all action necessary to cause Bracco and Merger Sub to perform their respective obligations under the merger agreement, including by providing Bracco or Merger Sub, as the case may be, with all necessary funds to enable Bracco or Merger Sub to pay the merger consideration.

Exchange Agent (see page [ ])

Bracco will appoint an exchange agent to coordinate the payment of the cash merger consideration following the merger. The exchange agent will send you written instructions for surrendering your certificates and obtaining the cash merger consideration after we have completed the merger. Do not send in your E-Z-EM stock certificates now.

Help in Answering Questions

If you have questions about the special meeting or the merger after reading this document, please contact [ ], [ ] (toll-free) or [ ] (collect), or write to the following address:

[ ]

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this proxy statement, and the documents to which we refer you in this proxy statement, that are not historical factual statements are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. There are forward-looking statements throughout this proxy statement, including, without limitation, under the headings Questions and Answers About the Merger, Summary, The Special Meeting, The Merger, Opinion of Our Financial Advisor and Regulatory Approvals and can be identified b use of terminology such as believes, estimates, anticipates, continues, predict, potential, contemplates, expects, may, will, li or would or other similar words or phrases. In addition, each of Bracco and E-Z-EM, through members of its respective senior management from time to time make forward-looking oral and written public statements concerning their respective expected future operations and other developments. These statements are subject to risks, uncertainties, and other factors, including, among others:

- the effect of the announcement of the merger on E-Z-EM s business relationships, operating results and business generally;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement;
- the outcome of any legal proceedings that may be instituted against E-Z-EM or Bracco and others related to the merger agreement;
- stockholder adoption of the merger agreement and approval of the transactions contemplated thereby, including the mergers or other conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule;
- the amount of the costs, fees, expenses and charges related to the merger and the execution of certain financings that will be obtained to consummate the merger; and
- E-Z-EM s and Bracco s ability to meet expectations regarding the timing, completion and accounting and tax treatments of the merger.

In addition, we are subject to risks and uncertainties and other factors detailed in our annual report on Form 10-K for the fiscal year ended June 2, 2007, filed with the Securities and Exchange Commission, which we refer to herein as the SEC, on August 16, 2007, which should be read in conjunction with this proxy statement. See Where You Can Find Additional Information on page [ ]. Many of the factors that will determine our future results are beyond our ability to control or predict. In light of the significant uncertainties inherent in the forward-looking statements contained herein, readers should not place undue reliance on forward-looking statements, which reflect management s views only as of the date hereof. We cannot guarantee any future results, levels of activity, performance or achievements. The statements made in this proxy statement represent our views as of the date of this proxy statement, and it should not be assumed that the statements made herein remain accurate as of any future date. Moreover, we assume no obligation to update forward-looking statements or update the reasons that actual results could differ materially from those anticipated in forward-looking statements, except as required by law.

Table of Contents

THE COMPANIES

E-Z-EM, Inc.

E-Z-EM is a leading provider of medical devices and contrast products used by radiologists, gastroenterologists and speech language pathologists primarily in screening for and diagnosing diseases and disorders of the gastrointestinal (GI) tract. E-Z-EM develops, manufactures and markets medical diagnostic products used for computed tomography and magnetic resonance imaging, colorectal cancer screening, evaluation of swallowing disorders (dysphagia), and testing for other diseases and disorders of the GI system. Additionally, E-Z-EM sells RSDL™ a liquid skin decontaminant that neutralizes or removes chemical warfare agents such as Sarin or VX in seconds, leaving a non-toxic liquid that can be washed away with water to the U.S. and Canadian armed forces and branches of a number of other armed forces in Europe and elsewhere. E-Z-EM also provides contract manufacturing services to third parties. E-Z-EM is the exclusive worldwide licensee for RSDL™ to the military and first responder markets. E-Z-EM was incorporated in New York in 1962 under the name E-Z-EM Company, Inc. and reorganized in Delaware in 1983 when it completed its initial public offering. E-Z-EM s common stock is publicly traded on the Nasdaq Global Market System under the symbol EZEM .

E-Z-EM s principal address is 1111 Marcus Avenue, Lake Success, New York 11042 and its telephone number is (516) 333-8230. For more information about E-Z-EM, please visit out corporate website at www.ezem.com. Our website is provided as an inactive textual reference only. The information provided on our website is not part of this proxy statement, and is not incorporated herein by reference. See also Where You Can Find Additional Information.

Bracco Diagnostics, Inc.

Bracco was created in 1994, after the purchase of Squibb Diagnostics by the Bracco group. Bracco is responsible for developing new clinical agents, filing them with appropriate regulatory agencies, and selling and marketing all Bracco group products in the United States and Canada. Bracco is a wholly owned subsidiary of Bracco Imaging S.p.A. Bracco s principal address is 107 College Road East, Princeton, New Jersey 08540 and its telephone number is (604) 514-2200.

Eagle Acquisition Sub, Inc.

Merger Sub is a newly formed Delaware corporation and a wholly owned subsidiary of Bracco. Merger Sub was formed on October 29, 2007, for the sole purpose of merging with and into E-Z-EM (with E-Z-EM continuing as the surviving corporation), and has not engaged in any activities other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement. Merger Sub s address is 107 College Road East, Princeton, New Jersey 08540 and its telephone number is (604) 514-2200.

Bracco Imaging S.p.A.

Bracco Imaging is a world leader in the imaging agent business with products sold in over 80 countries and approximately 1,250 employees. Bracco Imaging is headquartered in Milan, Italy, and is a subsidiary of Bracco S.p.A., the holding company of the Bracco group, which markets ethical and over-the-counter pharmaceutical products and provides healthcare services in Italy, as well as advanced medical technology systems worldwide through the Bracco AMT companies, ACIST Medical Systems and Volume Interactions. Bracco Imaging s principal address is Via E. Folli 50, Milan, Italy 20134 and its telephone number is 011-39-0221771.

Table of Contents

THE SPECIAL MEETING

We are furnishing this proxy statement to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting.

Date, Time and Place

The special meeting of our stockholders will be held at [ ], at [ ], local time, on [ ], 2008.

Purpose of the Special Meeting

At the special meeting, we are asking holders of record of our common stock on [ ] to consider and vote on the following proposals:

1. The adoption of the Agreement and Plan of Merger, dated as of October 30, 2007, by and among Bracco, Merger Sub, E-Z-EM and, for the limited purposes specified in the merger agreement, Bracco Imaging S.p.A., and the approval of the transactions contemplated thereby, including the merger, pursuant to which Merger Sub will merge with and into E-Z-EM, with E-Z-EM continuing as the surviving corporation and a wholly owned subsidiary of Bracco, and each outstanding share of the common stock of E-Z-EM (other than shares owned by us, Bracco, or Merger Sub, or our respective wholly owned subsidiaries and other than shares for which appraisal rights have been validly exercised under Delaware law) will be converted into the right to receive a per share amount equal to $21.00 in cash, without interest and less any required withholding tax;

2. The approval of the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger; and

3. The transaction of any other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

Recommendation of Our Board of Directors

Our board of directors has unanimously approved the merger agreement and declared its advisability (with Anthony A. Lombardo, a director and our President and Chief Executive Officer, and David P. Meyers, a director, abstaining) and determined that it is advisable and in the best interests of us and our stockholders and recommends that our stockholders vote FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies, if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Record Date; Shares Entitled to Vote; Quorum

Only holders of record of shares of our common stock at the close of business on [ ], the record date for the special meeting, are entitled to notice of and to vote at the special meeting. On the record date, [ ] shares of our common stock were issued and outstanding and held by approximately [ ] holders of record. A quorum is present at the special meeting if a majority of all the shares of common stock issued and outstanding on the record date are represented at the special meeting in person or by duly authorized and properly completed proxies. Abstentions and broker non-votes, discussed below, count as present for establishing a quorum. Holders of record of shares of our common stock on the record date are entitled to one vote per share on each matter submitted to a vote at the special meeting.

Vote Required

The adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, requires the affirmative vote of stockholders holding at least a majority of the shares of our common stock outstanding on the record date. Because the required vote of our stockholders is based upon the number of

Table of Contents

outstanding shares of our common stock, rather than upon the shares actually voted, the failure by the holder of any such shares to submit a proxy or to vote by telephone or in person at the special meeting, including abstentions and broker non-votes (described under Voting of Proxies below), will have the same effect as a vote against the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger.

As of [ ], 2008, the record date of the special meeting, our directors and current executive officers beneficially owned in the aggregate [134,346] shares of our common stock (excluding options and excluding shares beneficially owned by David P. Meyers, a director and Peter J. Graham our Senior Vice President Chief Legal Officer, Global Human Resources and Secretary, each of whom is a party to the voting agreement discussed below), or approximately [1.2]% of our outstanding shares of common stock. These directors and current executive officers have informed us that they intend to vote all of their shares of our common stock FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger.

Certain members of Linda B. Stern s and David P. Meyer s families, including Mr. Graham, have entered into a voting agreement with Bracco and us with respect to an aggregate of all of the shares of our common stock beneficially owned by such stockholders. As of the record date of the special meeting, the aggregate number of shares of our common stock owned by these stockholders was [3,712,282], which shares represented approximately [33]% of the voting power of all outstanding shares of our common stock as of such date. Such stockholders have agreed, subject to the terms and conditions of the voting agreement, to vote their shares of our common stock held by them in favor of the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and against any acquisition proposal or any action that is intended or would reasonably be expected to prevent or materially delay the merger and the other transactions contemplated by the merger agreement, unless, among other things, the merger agreement is terminated in accordance with its terms.

The proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies, if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, requires the affirmative vote of stockholders holding a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter. The failure to submit a proxy or to vote, including broker non-votes, will have no effect on the proposal to adjourn or postpone the special meeting but an abstention will have the effect of a vote against the proposal to adjourn or postpone the special meeting.

Voting of Proxies

We are offering you three methods of voting:

- by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed, postage paid envelope;
- by calling the toll-free number that appears on the enclosed proxy card and following the instructions given; or
- by attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting).

If you submit a proxy by telephone, please do not return the proxy card. The telephone voting procedures are designed to authenticate stockholders identities, to allow stockholders to give their voting instructions and to confirm that stockholders instructions have been recorded properly. You should be aware that in submitting voting instructions by telephone, you may incur costs such as telephone charges for which you will be responsible.

Brokers or banks who hold shares of our common stock in street name for customers who are the beneficial owners of such shares may not submit a proxy to vote those customers shares in the absence of specific instructions from those customers. The brokers and banks will provide their customers with directions on how to instruct the broker or bank to vote their shares.

Table of Contents

If no instructions are given to the broker or bank holding shares, or if instructions are given to the broker or bank indicating that the broker or bank does not have authority to vote on the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, then, in either case, a broker non-vote will generally occur and the shares will be counted as present for purposes of determining whether a quorum exists, but will not be voted on the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, and will therefore have the same effect as voting against the adoption of the merger agreement. Similarly, broker non-votes will not be voted on the proposal to adjourn or postpone the special meeting to solicit additional proxies, but will have no effect on that proposal. Brokers and other nominees will not have discretionary authority to vote on the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, or the proposal to adjourn or postpone the special meeting, if necessary or appropriate, if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger.

All shares represented by properly completed proxies received prior to vote at the special meeting will be voted at the special meeting in the manner specified in the proxies. Properly completed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, and FOR the proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, provided that no proxy that is specifically marked AGAINST the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, will be voted in favor of the adjournment or postponement proposal, unless it is specifically marked FOR the adjournment or postponement proposal.

Shares of our common stock represented at the special meeting but not voting, including shares for which proxies have been received but with respect to which holders have abstained, will be treated as present at the special meeting for purposes of determining whether a quorum exists. Shares that are not voted, including any broker non-votes, or shares voted to abstain will effectively count as votes against the adoption of the merger agreement and approval of the transactions contemplated thereby, including the merger. Similarly, shares of our common stock for which proxies have been received but with respect to which holders have abstained will have the same effect as a vote against the proposal to adjourn or postpone the special meeting to solicit additional proxies, but shares that are not voted will have no effect on that proposal.

Although it is not currently expected, if the proposal to adjourn or postpone the special meeting to solicit additional proxies is approved, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies to approve the proposal to adopt the merger agreement and approve the transactions contemplated thereby, including the merger. Additionally, if a quorum is not present at the special meeting, then a majority of the shares represented at the special meeting and entitled to vote thereat may adjourn or postpone the meeting for the purpose of soliciting additional proxies to achieve a quorum.

Our amended and restated by-laws provide that any adjournment may be made without notice, other than by an announcement made at the special meeting, unless the adjournment is for more than 30 days or a new record date is fixed for the adjourned meeting. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow our stockholders who have already sent in their proxies to revoke them at any time prior to the time that they are voted at the special meeting as adjourned.

At any time prior to convening the special meeting, our board of directors may postpone the special meeting for any reason without the approval of our stockholders. If postponed, we will provide at least ten days notice of the new meeting date. Although it is not currently expected, our board of directors may postpone the special meeting for the purposes of soliciting additional proxies if it concludes that by the meeting date it is reasonably likely that we will not have received sufficient proxies to constitute a quorum or sufficient votes to approve the proposal to adopt the merger agreement and approve the merger. Similar to adjournments, any postponement of the special meeting for the purpose of soliciting additional proxies will allow stockholders who have already sent in their proxies to revoke them at any time prior to their use. If the special meeting is adjourned or postponed and the record date remains unchanged, unrevoked proxies will continue to be effective for purposes of voting on the new meeting date.

Table of Contents

Revocability of Proxies

You can change your vote or revoke your proxy at any time before the proxy is voted at the special meeting in one of four ways:

- by providing a written instrument or transmission to our corporate secretary at our corporate headquarters stating that you revoke your proxy;
- by completing and submitting to our corporate secretary a proxy in writing via mail dated later than your original proxy relating to the same shares;
- by voting by telephone following the date of your original proxy relating to the same shares; or
- by attending the special meeting and voting in person, which will automatically cancel any proxy previously given; however, your attendance at the special meeting alone will not revoke any proxy that you have previously given.

If you instructed your broker to vote your shares, you must follow directions from your broker to change these instructions.

Solicitation of Proxies

We will pay the costs of the solicitation of proxies from our stockholders. In addition to solicitation by mail, our directors, officers and employees may solicit proxies from stockholders by telephone or other electronic means or in person. These persons will not receive additional or special compensation for such solicitation services. We will cause brokerage houses and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of stock held of record by such persons. We will, upon request, reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in doing so.

We have engaged [ ] to assist us in the solicitation of proxies for the special meeting for a fee of approximately $[ ], reimbursement of reasonable out-of-pocket expenses and indemnification against certain losses, costs and expenses.

Other Business

We do not expect that any matter other than the proposals to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, and to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting will be brought before the special meeting. However, if other matters are properly presented at the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters unless otherwise indicated on the proxy.

Assistance

If you need assistance in completing your proxy card or voting your shares, or have questions regarding the special meeting, please contact [ ] at 800-[ ] (toll-free) or [ ] (collect) or write to the following address:

[ ]

YOU SHOULD NOT SEND STOCK CERTIFICATES WITH YOUR PROXIES. If the merger is approved by our stockholders and ultimately consummated, a transmittal form with instructions for the surrender of certificates formerly representing shares of our common stock will be mailed to you shortly after the effective time of the merger.

Table of Contents

THE MERGER

While we believe that the following description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to you. You should carefully read this entire proxy statement, including the annexes, and the other documents we refer to for a more complete understanding of the merger and the related transactions.

Background of the Merger

As part of our ongoing evaluation of our business, our board of directors and management regularly evaluated our long-term strategic alternatives, improving our competitive position and enhancing stockholder value. As part of these evaluations, we have from time to time considered various strategic alternatives in pursuing our business plan as an independent entity, including acquisitions, divestitures and business combinations.

Over the past several years, our performance and prospects have been adversely affected by significant developments in the industries in which we compete. Extensive consolidation in the diagnostic imaging market has resulted in increasing market pressure from significantly larger multinational competitors with extensive vertically integrated product portfolios and greater resources to market and sell products and develop new technologies, and these pressures are expected to continue. In addition, there has been increasing pressure to reduce prices in the health care industry, and the trend toward group purchasing by health care organizations has added to that pricing pressure, which has adversely affected our growth rates. The reduction in Federal government reimbursement rates for certain imaging procedures resulting from the enactment of the Deficit Reduction Act of 2005 in January 2007 has also adversely affected our growth rates.

In connection with its ongoing evaluation of our business, our board of directors directed our management in July 2005 to examine our strategic alternatives, including maintaining the status quo, and at meetings held in 2005 and 2006, our board of directors and management discussed the importance of acquiring existing businesses, product lines and technologies to enable us to achieve significant and sustainable revenue growth given the difficulty of achieving such revenue growth from our internal development projects alone. As a result of these discussions, on July 6, 2006, we hired RBC Capital Markets Corporation to act as our financial advisor in connection with pursuing an acquisition strategy for E-Z-EM.

From August 23, 2006 to June 26, 2007, representatives of RBC and certain members of our management identified approximately 100 acquisition targets and contacted approximately 30 potential acquisition targets in the diagnostic imaging and gastrointestinal device industries. During the course of this process, our board of directors and the Executive Committee of our board of directors regularly discussed our acquisition strategy. The Executive Committee is a standing committee of our board of directors whose members are Paul S. Echenberg, Chairman of our board of directors, Robert J. Beckman and John T. Preston, each of whom has been determined by our board to be independent under the listing requirements of The NASDAQ Stock Market LLC. In general, the Executive Committee met during this period between meetings of our board of directors to address matters relating to the acquisition strategy that arose in the interim and to assist in setting the framework for presenting matters to our board of directors at its next meeting.

Our relationship with Bracco Imaging S.p.A. originated in the early 1990s when Bracco Imaging began distributing certain of our products in Italy. In 1992, we entered into a ten-year distribution agreement with Bracco Imaging that appointed Bracco Imaging the exclusive distributor of our barium and accessory products in Italy. The distribution agreement was amended in 2002 to provide for the agreement to renew automatically for five-year periods. In addition, Bracco and Therapex, a division of E-Z-EM Canada Inc., our Canadian subsidiary, entered into a manufacturing agreement in 2000, pursuant to which E-Z-EM Canada acted as Bracco s contract manufacturer and manufactured and supplied Bracco with Bracco s proprietary oral iodine product, Gastrografin. We also had discussions with Bracco regarding entering into a distribution agreement with Bracco in 2006 to

Table of Contents

make us Bracco s distributor in the United States for certain Bracco Imaging products, and we entered into a definitive distribution agreement with them on October 30, 2006.

On November 29, 2006, Mr. Echenberg, Mr. Beckman and Anthony A. Lombardo, our President and Chief Executive Officer and a director, met with Fulvio R. Bracco, the Chief Executive Officer of ACIST Medical Systems, a subsidiary of Bracco Imaging, and Carlo G. Medici, Bracco s President and Chief Executive Officer, at the Radiological Society of North America, Inc. annual meeting held in Chicago, Illinois. Mr. Bracco and Mr. Medici informed Mr. Echenberg and Mr. Lombardo that they desired to explore various strategic alignments between Bracco and us, including additional distribution and licensing arrangements and a possible acquisition of us. The parties agreed to meet in January 2007 to further discuss potential strategic alignments. Mr. Echenberg and Mr. Lombardo promptly informed the Executive Committee and our board of directors of their discussions with Bracco.

On January 12, 2007, Mr. Medici and Mr. Bracco met with Mr. Lombardo at the offices of Davies Ward Phillips & Vineberg LLP in New York, New York to discuss in general terms the merits of potential strategic alignments between Bracco and us, including additional distribution and licensing arrangements, various integration opportunities of our respective products and a possible acquisition of us as a potential outcome of the strategic alignment discussions, and Mr. Lombardo requested that Bracco send us a letter identifying in greater detail Bracco s interest in us. Mr. Lombardo promptly informed the Executive Committee of his discussions with Bracco.

On January 23, 2007, at a regularly scheduled meeting of our board of directors in which certain members of our management participated, Mr. Lombardo informed our board of directors of the discussions with Bracco regarding potential strategic alignments. Mr. Lombardo responded to questions from our board of directors regarding the discussions with Bracco, and our board of directors concluded that the Executive Committee and our management should engage in discussions with Bracco regarding potential strategic alignments with Bracco and that RBC should assist the Executive Committee and our management in this process under the terms of RBC s existing engagement with us. At that meeting, representatives of RBC reviewed with our board of directors the status of our acquisition strategy and advised that approximately 100 acquisition targets had been identified by RBC and our management and that RBC and our management had contacted approximately 30 acquisition targets. Representatives of RBC also presented to our board of directors a preliminary valuation analysis of us which RBC had prepared. After lengthy discussions, our board of directors concluded that other than one potential acquisition candidate and one potential minor equity investment in a technology company, the acquisition targets identified by RBC were too large or prohibitively expensive to acquire or would be highly dilutive to our earnings in the short to mid-term. Among other matters discussed at the meeting, George P. Ward, a director and member of the Compensation Committee of our board of directors, updated our board of directors that the Compensation Committee continued to evaluate the implementation of change in control agreements for certain key members of management as well as modification to existing change of control agreements that it had been evaluating over a period of eighteen months to, among other things, update the existing change of control agreements in light of changes to applicable law.

On January 26, 2007, Mr. Roberto Rettani, Chief Executive Officer of Bracco Imaging, and Mr. Medici sent Mr. Lombardo a letter describing Bracco Imaging s authorization to continue exploring a possible strategic alignment between Bracco and us. Bracco stated in the letter that Bracco Imaging and Bracco would be willing to enter into a confidentiality agreement with us in order to obtain additional information with a view to making a more definitive proposal to us.

With the assistance of our legal counsel, Davies Ward Phillips & Vineberg LLP, we negotiated and entered into a confidentiality and standstill agreement with Bracco Imaging and Bracco on February 26, 2007 for the purpose of facilitating the delivery of confidential information regarding us to Bracco to enable Bracco to evaluate a potential transaction with us.

Table of Contents

In February and March 2007, our management, with the assistance of RBC, began preparing a presentation describing us for use in discussions with Bracco. Mr. Lombardo presented Bracco s management an overview of us on March 13, 2007. From February 2007 through June 2007, our senior management provided regular updates to the Executive Committee and our board of directors regarding our acquisition strategy and a potential strategic alignment with Bracco. During March, April and May 2007, Bracco continued to evaluate a potential transaction with us.

On May 29, 2007, Mr. Medici and Mr. Lombardo discussed in a telephone conversation the status of Bracco s internal discussions regarding a possible strategic alignment between Bracco and us, and Mr. Lombardo advised Mr. Medici that Bracco should provide us with a written proposal describing in greater detail Bracco s interest regarding a potential strategic alignment.

On June 15, 2007, Mr. Rettani and Mr. Medici sent Mr. Lombardo a letter expressing Bracco s preliminary interest in acquiring all of our shares of common stock at a cash price of $20.00 per share, subject to the satisfactory completion of Bracco s due diligence, the approval of the transaction by Bracco s board and our board and the negotiation of mutually acceptable definitive transaction documentation. Bracco s expression of interest was not conditioned on the ability to receive financing.

On June 18, 2007, certain members of our management and representatives of RBC met with the one potential strategic acquisition candidate with whom we had preliminary discussions and we presented our offer to acquire that company. Our offer was rejected on June 26, 2007.

On June 19, 2007, our board of directors held a special meeting via teleconference. All of the directors, certain members of our management and representatives of Davies Ward Phillips & Vineberg, our legal counsel, participated. Mr. Echenberg and Mr. Lombardo reviewed in detail the terms of Bracco s unsolicited expressions of interest. A representative of Davies Ward Phillips & Vineberg reviewed for the directors their fiduciary duties and other legal issues in connection with Bracco s expression of interest and the exploration of strategic alternatives, and a representative of Davies Ward Phillips & Vineberg responded to questions from our board of directors regarding their fiduciary duties. Our board of directors discussed extensively the considerations related to the proposed transaction, the strategic issues facing us and the strategic alternatives available to us, including strategic acquisitions of existing businesses, product lines and technologies to achieve substantial and sustainable revenue growth, a revised dividend policy and a share repurchase program. Our board of directors and certain members of management discussed the risks and opportunities of maintaining the status quo and passing on the opportunity presented by Bracco and also discussed certain other strategic alternatives. Our board of directors discussed the likely process through which a potential transaction with Bracco would progress and considered the advisability of appointing a committee of our board of directors to oversee the day-to-day process regarding a possible strategic transaction. Thereafter, our board of directors unanimously authorized the Executive Committee to oversee a possible strategic transaction, including by engaging in discussions with Bracco regarding a potential transaction. After lengthy discussion regarding various potential financial advisors, our board of directors unanimously determined to retain RBC as our financial advisor in connection with a possible strategic transaction, including a potential transaction with Bracco. Mr. Lombardo also discussed the status of discussion with the potential strategic acquisition candidate with whom we had preliminary discussions. Our board of directors engaged in a discussion regarding the advisability of continuing to pursue this potential acquisition and determined to continue to pursue this acquisition possibility.

Following the meeting of our board of directors on June 19, 2007, we retained RBC to act as our financial advisor in connection with pursuing a potential strategic transaction, including a potential transaction with Bracco. We finalized and signed the engagement letter with RBC relating to that mandate on July 18, 2007.

On June 21 and June 26, 2007, the Executive Committee met with members of our management and representatives of RBC to discuss potential strategic alternatives for us, including a test of the market for a potential sale of us and a separate sale of our RSDL business. The Executive Committee, certain members of our

Table of Contents

management and representatives of RBC also discussed the valuation of us. On June 26, 2007, RBC was informed that the potential strategic acquisition candidate with whom we had preliminary discussions had rejected our offer. Representatives of RBC and certain members of our management then reviewed with the Executive Committee the fact that there was a significant difference in opinion between us and the potential strategic acquisition target regarding the valuation of that company and that further discussion with that company would be unlikely to result in a transaction.

Following more discussions with members of our board of directors, the Executive Committee and RBC, Mr. Lombardo, at the direction of our board of directors, telephoned Mr. Medici on June 26, 2007 and stated that a cash purchase price of $20.00 per share was inadequate and Mr. Lombardo and Mr. Medici scheduled a meeting with selected members of the parties respective management teams and financial advisors and legal counsel to be held on July 16, 2007 at the offices of Davies Ward Phillips & Vineberg in New York, New York.

On July 5, 2007, the Executive Committee met with members of our management and representatives of RBC to discuss further a test of the market for a potential sale of us and the terms of a potential transaction with Bracco and the management presentation to be given to Bracco.

On July 9, 2007, certain members of our management provided the Executive Committee with an update on the discussions with Bracco regarding its preliminary expression of interest and the status of RBC s compilation of a list of potential acquirors to be contacted by RBC to determine if they would be interested in a strategic transaction with us.

On July 16, 2007, we and our financial and legal advisors met with Bracco and its financial and legal advisors at Davies Ward Phillips & Vineberg s offices in New York, New York. A management presentation was made to Bracco and its financial advisors regarding E-Z-EM, and we requested Bracco to increase the price of its proposal to purchase us and to provide the non-financial terms and conditions of its proposal. The parties also discussed the process concerning a potential transaction with Bracco, including due diligence.

On July 18, 2007, Bracco and its financial and legal advisors delivered to us their respective preliminary due diligence request lists. With the assistance of our financial and legal advisors, we prepared an online due diligence dataroom for purposes of making information about us available to potential strategic transaction partners. Bracco and its financial and legal advisors commenced their due diligence review on July 28, 2007 and continued their due diligence review through late October, 2007.

On July 25, 2007, at a regular meeting of our board of directors, representatives of RBC and certain members of management provided our board of directors with an update regarding Bracco s expression of interest, and RBC provided a preliminary analysis of the financial aspects of Bracco s expression of interest, including a revised preliminary valuation of us. Representatives of RBC then addressed in more detail a process of approaching potential acquirors in a test of the market for a potential sale of us and a separate sale of our RSDL business. The potential acquirors were selected primarily because RBC thought that they were the parties that would have the greatest likelihood of interest in purchasing us. RBC and members of our management responded to questions from our board of directors regarding a test of the market for a potential sale of us. Based on the presentation and discussions, our board of directors determined that discussions should continue with Bracco and that RBC should engage in a market check of potential acquirors regarding the sale of us as a whole and a separate sale of our RSDL business. Among other matters discussed by our board of directors, Mr. Ward reviewed with our board of directors the change in control agreements proposed to be entered into with certain members of our management. Mr. Ward advised our board of directors that the Compensation Committee had worked with outside employment counsel and consultants for a two-year period to develop the proposed change in control agreements and that our board of directors reviewed and provided comments on the terms and condition of the proposed change in control agreements at a meeting of our board of directors held on April 24, 2007. After discussion, Mr. Lombardo recused himself from the meeting, and the remaining directors unanimously approved the change in control agreements.

Table of Contents

At our direction, RBC commenced contacting the potential acquirors on July 31, 2007. Representatives of RBC made initial contacts with senior executives or representatives at eleven parties in the healthcare and diversified industrial markets. Those initial contacts consisted primarily of a brief discussion of our possible interest in engaging in a sale of us as a whole and a separate sale of our RSDL business and an inquiry as to whether the potential party would be interested in receiving further information.

During late July and August 2007, Mr. Lombardo and Mr. Medici had several telephone discussions regarding the status of Bracco s due diligence, and Mr. Lombardo requested that Bracco provide us with a revised letter expressing Bracco s interest in us that could be delivered to our board of directors.

On September 6, 2007, Mr. Rettani and Mr. Medici sent Mr. Lombardo a revised letter expressing Bracco s interest in acquiring all of our common stock at a cash price of $21.00 per share, subject to our entering into a 20 business day exclusivity period with Bracco, the satisfactory completion of Bracco s remaining due diligence, any resolution of developments regarding the patent infringement litigation against us initiated by Tyco Healthcare Group L.P. and two related parties being satisfactory to Bracco in its sole discretion, and the negotiation of mutually acceptable definitive documentation. Bracco s letter stated that its revised expression of interest would expire on September 11, 2007.

On September 8, 2007 and September 9, 2007, after discussing Bracco s revised expression of interest with Mr. Echenberg and our financial and legal advisors, Mr. Lombardo discussed with Mr. Medici the terms and conditions of Bracco s revised letter of interest, including the price per share being offered by Bracco. Mr. Lombardo advised Mr. Medici that Bracco would need to increase the price per share before we would consider granting any period of exclusivity.

On September 10, 2007, Mr. Medici informed Mr. Lombardo that Bracco would be willing to proceed with discussions regarding an acquisition with a cash purchase price of $21.75 per share, provided that we enter into a 30-day exclusivity period with Bracco.

On September 10, 2007, our board of directors held a special meeting via teleconference in which all of the directors, certain members of our management and representatives of RBC and Davies Ward Phillips & Vineberg participated. RBC reviewed for our board of directors the search for strategic acquisitions by us and advised that this search had yielded no suitable or viable acquisition targets. RBC also reviewed with our board of directors the fact that eleven other companies in the healthcare and diversified industrial spaces had been contacted as potential acquirors of us and informed our board of directors that those contacts had not resulted in any meaningful or viable indications of interest. RBC provided our board of directors with an update regarding the discussions with Bracco and a revised preliminary valuation analysis of us. RBC made a financial presentation to our board of directors to enable the directors to evaluate Bracco s revised proposal. A representative of Davies Ward Phillips & Vineberg again discussed with our board of directors the fiduciary duties owed by directors in connection with an extraordinary transaction such as the proposed transaction, and a representative of Davies Ward Phillips & Vineberg responded to questions from our board of directors regarding the directors fiduciary duties. Our board of directors considered and discussed extensively the considerations related to the proposed transaction, including the potential for a transaction with certain other strategic acquirors, as well as the option of remaining an independent company and selling RSDL as a stand-alone business, a revised dividend policy and a share repurchase program. Based on these discussions, our board of directors concluded that we should proceed with negotiations for a potential sale of us to Bracco.

Mr. Lombardo advised Mr. Medici on September 10, 2007 that our board of directors was willing to proceed with negotiations with Bracco based on a proposed cash purchase price of $21.75 per share.

Between September 11, 2007 and September 17, 2007, Mr. Medici and Mr. Lombardo had several telephone conversations regarding the status of the internal discussions at Bracco regarding its revised expression of interest and the status of Bracco s due diligence. Mr. Lombardo reaffirmed that our board of directors would be

Table of Contents

willing to proceed with discussions with Bracco only on the basis of a cash purchase price of $21.75 per share, and Mr. Medici informed Mr. Lombardo that Bracco would be delivering to us a revised letter expressing Bracco s interest in us at a proposed cash purchase price of $21.75 per share.

On September 17, 2007, the Executive Committee held a special meeting via teleconference in which certain members of our management and representatives of Davies Ward Phillips & Vineberg participated. Mr. Lombardo provided the Executive Committee with an update of the discussions with Bracco. A representative of Davies Ward Phillips & Vineberg reviewed with the Executive Committee a draft of an exclusivity agreement prepared by Davies Ward Phillips & Vineberg. Representatives of Davies Ward Phillips & Vineberg responded to questions from the Executive Committee regarding the draft exclusivity agreement. After discussion, the Executive Committee unanimously approved our entering into an exclusivity agreement with Bracco with an exclusivity period of up to 30 days. Thereafter, we distributed a draft of the exclusivity agreement to Bracco and advised Bracco that we were doing so on the basis of it offering a cash purchase price of $21.75 per share.

On September 20, 2007, RBC concluded the market check of potential acquirors regarding the sale of us as a whole and a separate sale of our RSDL business. None of the parties contacted by RBC expressed willingness to pursue further discussions. The party we identified as the most likely to proceed with discussions with us concerning a possible strategic transaction indicated that if it had been inclined to pursue further discussions, it did not foresee agreeing to a purchase price exceeding a 20% premium over the then current market price (implying a maximum per share purchase price of $18.20).

On September 20, 2007, Mr. Rettani and Mr. Medici sent Mr. Lombardo a revised letter expressing Bracco s interest in acquiring all of our common stock at a cash price of $21.75 per share, subject to our entering into an exclusivity agreement with Bracco, the satisfactory completion of Bracco s remaining due diligence, the resolution or developments with respect to the patent infringement litigation initiated by Tyco Healthcare L.P. and two related parties against us being satisfactory to Bracco in its sole discretion, the negotiation of mutually acceptable definitive documentation and there being no material adverse change to our business. Later that day, we entered into an exclusivity agreement (in substantially the form of the draft exclusivity agreement distributed to Bracco by us) that was effective until 11:59 p.m. on October 8, 2007.

On September 21, 2007, we received an initial draft of the merger agreement from Greenberg Traurig, LLP, Bracco s legal counsel. The draft of the merger agreement provided a termination fee of $10 million and required that certain unidentified stockholders enter into a voting agreement with Bracco concurrently with the execution of the merger agreement pursuant to which each of these stockholders would vote its shares in favor of the adoption of the merger agreement and against any competing transaction.

On September 24, 2007, we entered into the change in control agreements previously approved by our board of directors with certain key members of our management.

On September 28, 2007, Mr. Rettani and Mr. Medici sent Mr. Lombardo a letter expressing Bracco s concern regarding our results for the first quarter of our fiscal 2008 which had been confidentially disclosed to Bracco as part of the due diligence process and noting that Bracco desired to further discuss the change in control agreements with certain key members of our management. Later that day, Mr. Lombardo discussed with Mr. Medici the advisability of RBC reviewing our first quarter results with representatives of Credit Suisse Securities LLC and Evercore Capital Partners, Bracco s financial advisors. In addition, Mr. Lombardo advised Bracco that he was willing to discuss the change in control agreements, but reminded Bracco that drafts of the change in control agreements had been available in the online dataroom since August 2007.

On September 28, 2007, Davies Ward Phillips & Vineberg circulated our initial comments to the merger agreement to Bracco and its legal and financial advisors. Among other things, our comments provided for a $5 million termination fee and did not require any of our stockholders to enter into a voting agreement.

On October 1, 2007, RBC and Bracco s financial advisors had a telephone meeting to discuss our results for the first quarter of our fiscal 2008.

Table of Contents

On October 4, 2007, members of our management, representatives of RBC, certain members of Bracco s management and representatives of Bracco s financial and legal advisors met at our head offices to discuss due diligence matters and to discuss an extension of negotiations beyond the expiration of the exclusivity period on October 8, 2007.

On October 5, 2007, we received a revised draft of the merger agreement from Greenberg Traurig. The revised draft of the merger agreement again required certain unidentified stockholders to enter into a voting agreement and did not specify the amount of the termination fee.

On October 8, 2007, the Executive Committee held a special meeting at the offices of Davies Ward Phillips & Vineberg in New York, New York in which certain members of our management and representatives of Davies Ward Phillips & Vineberg participated. A representative of Davies Ward Phillips & Vineberg again discussed with the Executive Committee the fiduciary duties owed by directors in connection with an extraordinary transaction such as the proposed transaction. Representatives of Davies Ward Phillips & Vineberg reviewed in detail the terms and conditions of the revised draft merger agreement circulated by Greenberg Traurig. The Executive Committee considered and discussed extensively the terms and conditions of the draft of the merger agreement proposed by Bracco, in particular, the requirement of a voting agreement, the scope of the representations and warranties, the non-solicitation and fiduciary-out provisions, the termination fee provisions and conditions to closing proposed by Bracco. Mr. Echenberg discussed with Mr. Medici the status and timing of discussions of a potential transaction with Bracco. Mr. Echenberg then reviewed his discussions with Mr. Medici with the Executive Committee.

The exclusivity period with Bracco expired at 11:59 p.m. on October 8, 2007 without being renewed by the parties.

On October 9, 2007, Peter J. Graham, our Senior Vice President Chief Legal Officer, Global Human Resources and Secretary, and representatives of Davies Ward Phillips & Vineberg met with representatives of Greenberg Traurig at the offices of Greenberg Traurig to negotiate the merger agreement and discussed in detail the request that certain of our stockholders enter into a voting agreement, the scope of the representations and warranties, the non-solicitation and fiduciary-out provisions, the termination fee provisions and the conditions to closing.

Between October 10, 2007 and October 17, 2007, our and Bracco s respective legal counsel negotiated and exchanged drafts of the merger agreement. Among other things, the parties discussed Bracco s request that certain of our stockholders enter into a voting agreement, the scope of the representations and warranties, the non-solicitation and fiduciary-out provisions, the termination fee provisions and the conditions to closing. In addition, representatives of Alston & Bird LLP and Blank Rome LLP, our intellectual property and regulatory counsel, and Davies Ward Philips & Vineberg negotiated the intellectual property and regulatory representations and warranties and covenants with representatives of Greenberg Traurig.

On October 11, 2007, we filed our Quarterly Report on Form 10-Q with the SEC which disclosed our financial results for the first quarter of our fiscal 2008.

On October 17, 2007, our board of directors held a special meeting via teleconference in which certain members of our management participated. Mr. Lombardo updated our board of directors regarding the discussions with Bracco regarding a potential transaction and Bracco s due diligence. Among other matters, Mr. Beckman reviewed with our board of directors the actions taken by the Nominating and Corporate Governance Committee over the last several years, with the advice of outside counsel, to review the indemnification arrangements available to our directors and officers and to develop indemnification agreements for each of our directors and officers to be recommended to, and approved by, our board of directors. After lengthy discussion, our board of directors unanimously approved our entering into indemnification agreements with each of our directors and officers in the form of indemnification agreement previously reviewed by our board of directors.

Table of Contents

On October 18, 2007, Mr. Medici telephoned Mr. Lombardo to inform him that Bracco would be sending us a revised letter expressing Bracco s interest in acquiring us with a proposed cash price of $20.50 per share. Mr. Medici stated that the lower purchase price resulted from our lower than expected financial results for the first quarter of our fiscal 2008. Mr. Medici confirmed that there was no adjustment to the proposed purchase price on account of our entering into the change of control agreements. Later that day, Mr. Rettani and Mr. Medici sent Mr. Lombardo a revised letter expressing Bracco s interest in acquiring all of our common stock at a cash price of $20.50 per share, subject to certain of our stockholders (including members of Linda B. Stern s and David P. Meyers families who own shares in us and our officers and directors who own shares in us) entering into a voting agreement and the merger agreement providing for a termination fee of $9 million (rather than the $5 million proposed by us).

On October 18, 2007, our board of directors held a special meeting via teleconference. All of the directors, certain members of our management and representatives of RBC and Davies Ward Phillips & Vineberg participated. Mr. Lombardo reviewed in detail the terms of Bracco s revised expression of interest, including the basis Bracco provided for its reduced proposed purchase price per share. A representative of Davies Ward Phillips & Vineberg again reviewed with our board of directors the fiduciary duties owed by directors in connection with Bracco s revised expression of interest and the terms and conditions of the revised expression of interest, and a representative of Davies Ward Phillips & Vineberg responded to questions from our board of directors regarding the directors fiduciary duties. Our board of directors discussed Bracco s revised expression of interest and posed various questions to Mr. Lombardo and our financial and legal advisors. Our board of directors also discussed the alternatives available to us if we did not complete a transaction with Bracco, including a revised dividend policy and a share repurchase program. The meeting was adjourned and reconvened on October 19, 2007. After lengthy discussion, our board of directors concluded that Mr. Echenberg and Mr. Lombardo should send a letter to Bracco proposing a cash purchase price of $21.55 per share and providing that we may endeavor to assist Bracco in entering into a voting agreement with certain of our stockholders (including certain members of our management), provided that the termination fee in the definitive merger agreement would be $8 million, the definitive merger agreement would be in substantially the form of the last draft of the merger agreement circulated to Bracco by Davies Ward Phillips & Vineberg and that the definitive merger agreement would be executed prior to our annual general stockholders meeting to be held on October 30, 2007. Later in the day, with the assistance of our legal counsel, Mr. Echenberg and Mr. Lombardo sent Mr. Rettani and Mr. Medici a letter stating our proposal.

Representatives of RBC discussed the status of Bracco s consideration of our proposal with Bracco s financial advisors on October 22, 2007, and Bracco s financial advisors informed RBC that it would be unlikely for Bracco to increase its proposed cash purchase price beyond $20.50 per share.

On October 23, 2007, Mr. Medici telephoned Mr. Lombardo to advise him that Bracco had rejected our proposal of October 19, 2007, but indicated that Bracco could potentially increase its proposed purchase price by an amount not likely to exceed $0.20 per share. Mr. Medici also informed Mr. Lombardo that the definitive merger agreement would need to contain a termination fee of $9 million. Bracco s financial advisors also telephoned a representative of RBC to communicate the same information. Later that day, our board of directors held a special meeting via teleconference. All of the directors, certain members of our management and representatives of RBC and Davies Ward Phillips & Vineberg participated. Mr. Lombardo reviewed with our board in detail the discussion he had with Mr. Medici. Mr. Lombardo also reviewed with our board of directors the status of Bracco s due diligence. Representatives of RBC reviewed with our board in detail the discussion he had with Bracco s financial advisors. Our board of directors engaged in a lengthy discussion, and Mr. Lombardo, certain members of our management and our financial and legal advisors responded to questions from our board of directors regarding Bracco s rejection of our proposal, the terms and conditions of the draft merger agreement (including the request that certain of our stockholders enter into a voting agreement with Bracco and that the definitive merger agreement should be in substantially the form of the draft merger agreement last distributed by Davies Ward Phillips & Vineberg), our first quarter results and the risks and benefits of us remaining an independent company, instituting a revised dividend policy and a share repurchase program. After further discussions, our board of directors determined that, in light of our quarter results, we would be willing to proceed with discussion with Bracco based on purchase price per share no less than $21.00. Our board of directors also

Table of Contents

concluded that in exchange for Bracco s agreement to increase the per share purchase price, our board of directors would be willing to accept a termination fee in the definitive merger agreement of $9 million. Our board of directors directed RBC to convey this revised proposal to Bracco s financial advisors, and representatives of RBC communicated our revised proposal to representatives of Bracco s financial advisors on October 23, 2007.

On October 24, 2007, representatives of Bracco s financial advisors informed representatives of RBC that Bracco was willing to proceed with negotiating a definitive merger agreement and voting agreement on the basis of a proposed purchase price of $21.00 per share and a termination fee of $9 million. Representatives of Bracco s financial advisors also informed representatives of RBC that only the members of Ms. Stern s and Mr. Meyers families owning shares in us, including Mr. Graham, would be required to enter into a voting agreement with Bracco and that no stockholders who were directors or members of our management, other than Mr. Meyers and Mr. Graham, would be required to enter into a voting agreement.

On October 24, 2007 and October 25, 2007, we entered into confidentiality agreements regarding the proposed transaction with Bracco with the members of Ms. Stern s and Mr. Meyers families who own stock in us. Between October 25, 2007 and October 28, 2007, these stockholders and their legal counsel, Skadden Arps, Slate, Meagher & Flom LLP, negotiated and exchanged drafts of the voting agreement with Greenberg Traurig. These stockholders advised Bracco that they would be unwilling to enter into a voting agreement unless Bracco or we indemnified them for damages suffered by them entering into the voting agreement. These stockholders also requested that they be reimbursed for all expenses incurred by them in connection with entering into the voting agreement. A representative of Greenberg Traurig informed a representative of Skadden Arps that while Bracco would not proceed with the proposed transaction with us unless these stockholders entered into a voting agreement, Bracco would not provide these stockholders with any indemnification or expense reimbursement. Mr. Medici also informed Mr. Lombardo that Bracco would be unwilling to proceed with the proposed transaction with us unless these stockholders entered into a voting agreement with Bracco, but that Bracco was not willing to provide any indemnification or expense reimbursement to these stockholders. Certain of these stockholders informed certain members of our management that they would not be willing to execute a voting agreement unless either Bracco or we provided them with indemnification and expense reimbursement.

On October 25, 2007, RBC received an inquiry from one of the potential acquirors that had been contacted by RBC in the market test for a potential acquiror of us that had concluded on September 24, 2007. RBC contacted Mr. Lombardo and certain members of our management regarding this potential inquiry and RBC indicated that, based on this initial inquiry, the potential acquiror was highly unlikely to offer a purchase price exceeding $21.00 per share on the terms and conditions being offered by Bracco.

Between October 25, 2007 and October 30, 2007, we and our legal counsel negotiated and exchanged drafts of the merger agreement with Bracco and its legal counsel. In particular, the parties discussed the representations and warranties, the non-solicitation and fiduciary-out provisions, the termination fee provisions and the conditions to closing. In addition, our intellectual property and regulatory counsel negotiated the intellectual property and regulatory representations and warranties and covenants with representatives of Greenberg Traurig.

On October 26, 2007, Mr. Lombardo, certain members of our management and representatives of Davies Ward Phillips & Vineberg met at the offices of Davies Ward Phillips & Vineberg with certain members of Bracco s management and representatives of Greenberg Traurig to negotiate the merger agreement. In particular, the parties discussed the scope of the representations and warranties, the non-solicitation and fiduciary-out provisions, the termination fee provisions and the conditions to closing.

On October 26, 2007, our board of directors held a special meeting via teleconference. All of the directors, certain members of our management and representatives of Davies Ward Phillips & Vineberg participated. Representatives of Davies Ward Phillips & Vineberg reviewed with our board of directors the status of the discussions with Bracco and its legal counsel and the open issues to be resolved in the draft merger agreement. Our board of directors discussed the open issues to be resolved in the draft merger agreement. Mr. Lombardo advised our board of directors of the status of the discussions regarding the voting agreement. Mr. Lombardo informed our board of directors that Bracco was not willing to proceed with the proposed transaction unless the

Table of Contents

members of Ms. Stern s and Mr. Meyers families owning stock in us entered into a voting agreement with Bracco and that these stockholders would not enter into a voting agreement unless they were indemnified for damages which may be suffered by them relating to entering into the voting agreement and were reimbursed for all reasonable out-of-pocket expenses reasonably incurred by them in connection with entering into the voting agreement. After a lengthy discussion, our board of directors agreed to cause E-Z-EM to provide these stockholders indemnification for damages suffered by them relating to entering into the voting agreement and reimbursement for out-of-pocket expenses reasonably incurred by them in connection with entering into the voting agreement.

On October 26, 2007, Mr. Medici informed Mr. Lombardo that Bracco Imaging s board of directors approved the proposed transaction, subject to completion of Bracco s due diligence and the satisfactory negotiation of a definitive merger agreement and voting agreement. Mr. Lombardo and Mr. Medici also discussed the status of the negotiations regarding the merger agreement and voting agreement.

On October 28, 2007, we finalized the terms and conditions of the voting agreement with Bracco and the stockholders who were party to the voting agreement.

On October 29, 2007, our board of directors, at a regularly scheduled meeting at our corporate offices, convened to consider whether to approve the proposed transaction with Bracco, and certain members of our management and representatives of RBC and Davies Ward Phillips & Vineberg attended the meeting. At the meeting, representatives of Davies Ward Phillips & Vineberg reviewed in detail the terms of the merger agreement, the voting agreement and other legal aspects of the proposed transaction with Bracco. During the course of Davies Ward Phillips & Vineberg s review, representatives of Davies Ward Phillips & Vineberg responded to questions from members of our board of directors regarding the terms and conditions of the draft merger agreement and voting agreement. A representative from Davies Ward Phillips & Vineberg again reviewed in detail with our board of directors the fiduciary duties owed by directors, and other legal issues, in connection with the proposed transaction and responded to questions from our board of directors regarding the directors fiduciary duties. Mr. Lombardo and representatives of Davies Ward Phillips & Vineberg reviewed with our board of directors the remaining open issues regarding the merger agreement. Representatives of RBC summarized the search for strategic acquisitions by us which yielded no suitable acquisition targets and noted that eleven companies in the healthcare and diversified industrial spaces had been contacted as potential acquirors of us and that those contacts had not resulted in any strong or viable indications of interest. A representative of Skadden Arps, who had provided legal services to us in the past, was invited to review with our board of directors the terms and conditions of the voting agreement and the request by the stockholders entering into the voting agreement that they be indemnified for damages relating to, and reimbursed for all out-of-pocket expenses reasonably incurred in connection with, entering into the voting agreement. A representative of Davies Ward Phillips & Vineberg and a representative of Skadden Arps responded to questions from our board of directors regarding the terms and conditions of the voting agreement. The meeting was adjourned in order for Mr. Echenberg, Mr. Lombardo, Mr. Graham and representatives of Davies Ward Phillips & Vineberg to have a telephone conversation with Mr. Medici and representatives of Bracco s legal counsel to discuss the remaining open issues regarding the merger agreement, including issues regarding the representations and warranties, non-solicitation provisions and closing conditions. The meeting of our board of directors was reconvened and Mr. Lombardo summarized for our board of directors the resolution of the remaining open issues regarding the merger agreement. Representatives from RBC reviewed with our board its financial analysis of the proposed transaction with Bracco and delivered to our board of directors its oral opinion, which was confirmed by delivery of a written opinion dated October 29, 2007, to the effect that, as of that date and based on and subject to the factors, assumptions and limitations set forth in its written opinion, the merger consideration to be received by our stockholders was fair, from a financial point of view, to such stockholders. During the course of RBC s presentation and rendering of its opinion, representatives of RBC responded to questions from our board of directors confirming or clarifying their understanding of the analyses performed by RBC and the opinion rendered by RBC, as described in more detail under The Merger Opinion of Our Financial Advisor beginning on page [ ]. The full text of the written opinion of RBC, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, is attached as Annex B to this proxy statement.

Table of Contents

Following additional discussion and deliberation, Mr. Lombardo and Mr. Meyers recused themselves from the meeting, and the remaining directors (each of whom has been determined by our board to be independent under the listing requirements of The Nasdaq Stock Market LLC) unanimously approved the merger agreement, the voting agreement and the transaction contemplated by each agreement and unanimously resolved to recommend that our stockholders vote to adopt the merger agreement and approve the transactions contemplated thereby, including the merger.

On October 30, 2007, the merger agreement was executed by Bracco, Merger Sub, Bracco Imaging (for the limited purposes specified therein) and us and the voting agreement was executed by Bracco, us, and the stockholders party thereto. Prior to the opening of trading on the Nasdaq Global Market, E-Z-EM and Bracco each issued a press release announcing the execution of the merger agreement, and we announced the execution of the merger agreement at our annual stockholders meeting later that day.

On October 31, 2007, each of our directors and officers entered into indemnification agreements with us previously approved by our board of directors.

Reasons for the Merger

In the course of reaching its decision to approve the merger agreement and the other transactions contemplated by the merger agreement and to recommend that our stockholders vote to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, our board of directors consulted with our senior management and our financial and legal advisors. Our board of directors reviewed a significant amount of information and considered a number of factors and potential benefits of the merger, including, without limitation, the following, each of which it believed supported its decision:

- the current and historical market prices of our common shares, including the market price of our common shares relative to the market prices of common shares of other industry participants and general market indices, and the fact that the cash merger consideration of $21.00 per share represents a premium to those historical trading prices and a 32% premium over the average closing price per share of our common stock on the Nasdaq Global Market during the ten trading day period ending October 29, 2007 (the trading day immediately prior to the date on which we announced the merger);

- the financial presentation made by RBC and the written opinion dated October 29, 2007 of RBC that, subject to the assumptions made, matters considered and limitations on the review undertaken in connection with such opinion, the per share consideration to be received by our stockholders was, as of such date, fair from a financial point of view to such stockholders (the full text of the written opinion of RBC is attached as Annex B to this proxy statement, and stockholders are urged to and should carefully read the written opinion in its entirety);

- the market test conducted by us, with the assistance of RBC, which involved engaging in discussions with eleven parties to determine their potential interest in a business combination transaction with us (including the separate sale of our RSDL business), as described in more detail under the heading Background of the Merger, that failed to result in any definitive offer to acquire us or any strong or viable indication of interest, and our board of directors conclusion that, based on such market test, it was unlikely that a higher value could be achieved for our stockholders by means of a transaction with any other party, combined with our ability under the merger agreement, as described below, to respond to and accept an unsolicited offer that is superior to the merger (upon the payment of the $9 million termination fee), should any other party come forward with a superior proposal before our stockholders vote on the proposed merger;

- the belief of our board of directors that the $21.00 per share merger consideration represented the highest consideration that Bracco was willing to pay, and the highest per share value obtainable on the date of signing;

- our financial condition, results of operations and business and earnings prospects if we were to remain independent in light of the relevant factors, including the risks involved in implementing our strategy and achieving those prospects and the difficulty in realizing substantial and sustainable earnings

34

Table of Contents

growth without a strategic acquisition, and the belief of our board of directors that the consideration to be received by our stockholders in the proposed merger maximized stockholder value and was more favorable to our stockholders than any other alternative reasonable available to us and our stockholders;

our board of directors and our management s knowledge of, and their beliefs about, the environment in which we operate, including:

- the extensive consolidation in the diagnostic imaging market resulting in increasing market pressure from significantly larger multinational competitors with extensive vertically integrated product portfolios and greater resources to market and sell products and develop new technologies, which pressures are expected to continue;
- the increasing pressure to reduce prices in the healthcare industry, and the trend toward group purchasing by healthcare organizations that has added to that pricing pressure, which has adversely affected our growth rates; and
- the pressure on our growth rates resulting from the reduction in Federal government reimbursement rates for certain imaging procedures after the enactment in January 2007 of the Deficit Reduction Act of 2005;

current financial market conditions, historical market prices and volatility with respect to our common stock, including the possibility that if we remained an independent company, in the event of a decline in the market price of our common stock or the stock market in general, the price that might be received by our stockholders in the open market or in a future transaction might be less than $21.00 per share to be paid as consideration in the merger;

the fact that the merger consideration is all cash, so that the transaction will allow our stockholders to immediately realize a fair value, in cash, for their investment and will provide our stockholders with certainty of value for their shares;

the fact that the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, is subject to our stockholders adoption and approval;

the fact that Ms. Stern and Mr. Meyers and certain stockholders affiliated with the families of Ms. Stern and Mr. Meyers, who beneficially owned in the aggregate approximately 34% of our outstanding shares of common stock as of October 30, 2007, supported, and agreed to vote their shares in favor of, the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger;

the terms and conditions of the merger agreement, which were reviewed by our board of directors with our legal advisors and the fact that such terms and conditions were the product of arm s length negotiations, including:

- that the merger agreement does not include a financing condition and our board s conclusion, after consultation with our financial advisor and taking into account Bracco s representations and covenants in the merger agreement concerning the financing of the merger, that Bracco has the financial ability to complete the merger;
- our ability, under certain circumstances, to furnish information to and conduct negotiations with third parties, and, upon the payment to Bracco of a termination fee of $9 million, to terminate the merger agreement and accept a superior proposal as described under The Merger Agreement No Solicitation ;

our board of directors understanding that both the $9 million termination fee (and the circumstances when such fee is payable) and the requirements to reimburse Bracco for certain expenses, up to a limit of $2 million (and the circumstances when such reimbursement is payable), as described under The Merger Agreement Fees and Expenses, were reasonable in light of the benefits of the proposed merger and commercial practice;

Table of Contents

the requirement for Bracco to reimburse us for certain expenses, up to $2 million, in certain circumstances, as described under The Merger Agreement Fees and Expenses ;

the provisions of the merger agreement that allow our board of directors, under certain circumstances, to change its recommendation that our stockholders vote in favor of the adoption of the merger agreement;

the limited nature and scope of conditions to Bracco s and Merger Sub s obligation to consummate the merger and the limited risk of failing to satisfy such conditions, including that for purposes of the merger agreement, a material adverse effect on us does not include circumstances resulting from changes in the general economic conditions or changes in securities markets in general or general changes in the industries in which we operate unless, in each case, the changes have a disproportionate effect on us and our subsidiaries taken as a whole relative to other industry participants of a similar size;

the terms of the voting agreement, including that the voting agreement will terminate upon termination of the merger agreement for any reason, including if our board of directors determines to pursue an alternative transaction that is a superior proposal; and

the ability of our stockholders who comply with all of the required procedures under Delaware law, which allows such stockholders to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery, as described under Appraisal Rights.

Our board of directors also considered and balanced against the potential benefits of the merger the following potentially adverse factors concerning the merger, including without limitation:

that we will no longer exist as an independent company and our stockholders will no longer participate in any of our future earnings or growth and will not benefit from any appreciation in our value;

that, under the terms of the merger agreement, we will be unable to solicit other acquisition proposals;

that, under the terms of the merger agreement, we will be required to pay Bracco a termination fee if we terminate the merger agreement to accept a superior proposal for a business combination or acquisition of us, and under a number of other circumstances associated with proposals by third parties to acquire us;

the fact that the termination fee required by the terms of the merger agreement to be paid by us in certain circumstances would make it more costly for, and might discourage, another potential purchaser to acquire us;

the requirement that we reimburse Bracco for up to $2 million in reasonable out-of-pocket expenses incurred in connection with the merger agreement in certain circumstances;

the possibility that, although the merger provides our stockholders with the opportunity to realize a premium over the price at which our common stock traded prior to the public announcement of the proposed merger, the price of our common stock might have increased in the future to a price greater than $21.00 per share;

that gains from an all-cash transaction would be taxable to our stockholders for U.S. federal income tax purposes;

the interests of our executive officers and directors in the merger described under Interests of Our Directors and Executive Officers in the Merger;

that, while we expect to complete the merger, there can be no assurance that all conditions to the parties obligations to complete the merger will be satisfied in a timely manner or at all, and as a result, it is possible that the merger may not be completed even if our stockholders adopt the merger agreement and approve the transactions contemplated thereby, including the merger agreement (see The Merger Agreement Conditions to the Completion of the Merger);

Table of Contents

- the restrictions on the conduct of our business prior to the completion of the merger requiring us to conduct our business in the ordinary course, subject to specific limitations, which may delay or prevent us from undertaking business opportunities that may arise pending completion of the merger; and

- the possibility of disruption to our operations following announcement of the merger, and the resulting effect on us if the merger is not completed, including the diversion of management and employee attention, potential employee attrition and the potential effect on business and customer relationships.

After taking into account all of the factors set forth above, as well as others, our board of directors agreed that the benefits of the merger outweigh the risks and that the merger agreement and the merger are advisable and in the best interests of us and our stockholders. **Our board of directors has unanimously approved and declared the advisability of the merger agreement and the merger (with Mr. Lombardo and Mr. Meyers abstaining) and recommends that our stockholders vote FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger, at the special meeting (or any adjournment or postponement thereof).**

The foregoing discussion of the factors considered by our board of directors is not intended to be exhaustive, but rather includes the material information and factors considered by our board of directors in its consideration of the merger. Our board of directors collectively reached the unanimous decision to approve the merger agreement and declared its advisability (with Mr. Lombardo and Mr. Meyers abstaining) in light of the factors described above and other factors that each member of our board of directors felt were appropriate. In view of the variety of factors, many of which are qualitative or difficult to quantify, and the quality and amount of information considered, our board of directors did not find it practicable to and did not make specific assessments of, quantify or otherwise assign relative weight to, the specific factors considered in reaching its determination. Individual members of our board of directors may have given different weight to different factors.

Recommendation of Our Board of Directors

After careful consideration, our board of directors, by unanimous vote (with Anthony A. Lombardo, a director and our President and Chief Executive Officer, and David P. Meyers, a director, abstaining), has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of E-Z-EM and our stockholders, has approved and declared the advisability of the merger, the merger agreement and the transactions contemplated by the merger agreement, including the merger, and recommends that E-Z-EM s stockholders vote FOR the adoption of the merger agreement and the approval of the transactions contemplated thereby, including the merger.

Opinion of Our Financial Advisor

On October 29, 2007, RBC delivered its oral opinion, subsequently confirmed in writing, to our board of directors to the effect that, as of such date, based upon and subject to the factors and assumptions made, matters considered and limits of the review undertaken by RBC set forth therein, the merger consideration of $21.00 per share in cash to be received by holders of our common stock pursuant to terms of the merger agreement was fair from a financial point of view to such holders.

The full text of RBC s written opinion, dated October 29, 2007, which, among other things, sets forth the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by RBC in connection with the opinion, is attached as Annex B to this document. RBC provided its opinion for the information and assistance of our board of directors in connection with its consideration of the merger agreement. The RBC opinion was not a recommendation to any member of our board of directors as to how any such member should vote with respect to the merger agreement and the merger or how any stockholder should vote with respect to the merger agreement and the merger. Our stockholders are urged to read the RBC opinion in its entirety.

In connection with RBC s role as our financial advisor, and for the purpose of rendering its opinion, RBC undertook such review and inquiries as it deemed necessary or appropriate under the circumstances, including the following:

- reviewed the financial terms of the draft of the merger agreement, dated October 27, 2007;

Table of Contents

- reviewed and analyzed certain publicly available financial and other data with respect to E-Z-EM and certain other relevant historical operating data relating to E-Z-EM made available to RBC from published sources and from the internal records;

- conducted discussions with members of our senior management with respect to our business prospects and financial outlook;

- reviewed historical financial information and estimates relating to us that were provided to RBC by our management, referred to herein as the E-Z-EM forecasts ;

- reviewed the historical prices and trading activity for our common stock; and

- performed such other studies and analyses as it deemed appropriate.

In arriving at its opinion, RBC performed the following analyses in addition to the review, inquiries and analyses referred to in the preceding paragraph:

- compared selected comparable publicly traded companies with metrics implied by the merger;

- compared the financial metrics of selected precedent transactions with the financial metrics implied by the merger; and

- performed a discounted cash flow analysis using the E-Z-EM forecasts.

Several analytical methodologies were employed by RBC in rendering its opinion, and no one method of analysis should be regarded as critical to the overall conclusion reached by RBC. Each methodology has inherent strengths and weaknesses, and the nature of the available information may further affect the usefulness of particular methodologies. The overall conclusions reached by RBC were based on all the analyses and factors presented, taken as a whole, and also on application of RBC s own experience and judgment. Such conclusions may have involved significant elements of subjective judgment and qualitative analysis. RBC therefore gave no opinion as to the value or merit of any one or more parts of those analyses standing alone.

In rendering its opinion, RBC assumed and relied upon the accuracy and completeness of all of the financial, legal, tax, operating and other information provided to it by us (including, without limitation, our financial statements and related notes thereto), and did not assume any responsibility for independently verifying, and did not independently verify, such information. For all forward-looking financial information with respect to us, RBC relied on the E-Z-EM forecasts. RBC assumed that all of the E-Z-EM forecasts were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of our management as to E-Z-EM s financial performance and expressed no opinion as to any aspect of the E-Z-EM forecasts or the assumptions on which they are based.

In rendering its opinion, RBC did not assume any responsibility to perform, and did not perform, an independent evaluation or appraisal of any of the assets or liabilities of E-Z-EM. RBC did not assume any obligation to conduct, and did not conduct, a physical inspection of our property or facilities. RBC did not investigate, and made no assumptions regarding, any litigation or other claims affecting us. The RBC opinion relates to E-Z-EM as a going concern and, accordingly, RBC expressed no opinion regarding the liquidation value of E-Z-EM.

RBC assumed, in all respects material to its analysis, that:

- all conditions to the consummation of the transactions contemplated by the merger agreement would be satisfied without waiver thereof;

the representations and warranties of each party contained in the merger agreement were true and correct;

each party would perform all of the covenants and agreements required to be performed by it under the merger agreement; and

Table of Contents

the executed version of the merger agreement would not differ, in any respect material to the RBC opinion, from the latest draft reviewed by RBC.

The RBC opinion speaks only as of the date thereof, is based on the conditions as they existed on, and information that RBC was supplied as of, the date thereof, and is without regard to any market, economic, financial, legal, or other circumstances or event of any kind or nature that may exist or occur after such date. RBC did not undertake to reaffirm or revise its opinion or otherwise comment upon events occurring after the date thereof and does not have an obligation to update, revise or reaffirm its opinion.

The RBC opinion was provided for the information and assistance of our board of directors in connection with its consideration of the merger agreement. The RBC opinion did not address the merits of our underlying decision to enter into the merger agreement or the relative merits of entering into the merger agreement compared to any alternative business strategy or transaction in which we might engage. The RBC opinion addresses solely the fairness to holders of our common stock, from a financial point of view, of the merger consideration. It does not in any way address other terms or conditions of the merger agreement.

Set forth below is a summary of the material financial analyses performed by RBC in connection with its opinion and reviewed with our board of directors at its meeting on October 29, 2007. The following summary, however, does not purport to be a complete description of the financial analyses performed by RBC. The order of analyses described does not represent relative importance or weight given to those analyses by RBC. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of RBC s financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 26, 2007, and is not necessarily indicative of current market conditions. The E-Z-EM forecasts used by RBC in certain of its analyses were based on projections prepared by our management for the fiscal years beginning June 2007 and ending May 2012.

Historical Stock Trading Analysis

RBC reviewed the historical closing trading prices and volumes for our common stock for the one-year period ended October 26, 2007. In addition, RBC compared the merger consideration to the closing prices of our common stock for the one-year period ended October 26, 2007.

This analysis indicated the following:

	Price per Share	
October 26, 2007 *(trading date prior to transaction announcement)*	$	16.15
52-Week High *(October 10, 2007)*	$	19.70
52-Week Low *(July 3, 2007)*	$	13.16
Merger Consideration	$	21.00

Analysis of Selected Comparable Publicly Traded Companies

RBC reviewed and compared certain financial and stock market information and management projections for E-Z-EM and compared them to corresponding information and measurements for a group of publicly traded companies (the peer group).

The group to which we were compared consisted of the following publicly traded medical technology companies:

CONMED

Datascope

AngioDynamics

39

Table of Contents

Merit Medical Systems

Possis Medical

Vascular Solutions

Utah Medical Products

CardioDynamics

The historical financial data used was based on publicly available financial statements for each of the selected companies. Estimates for 2008 revenue and earnings were based on estimates of securities and equity research analysts, or Wall Street research, except for such estimates for E-Z-EM, which were provided by our management. Estimates for companies with fiscal year ends other than December were calendarized. Equity market capitalization was based on the number of fully diluted shares outstanding using the treasury stock method.

None of the companies utilized in the selected publicly traded companies analysis is identical to E-Z-EM, although RBC noted that it believed that Datascope is our closest public comparable company, based on similar revenue growth, profitability and ownership characteristics. Accordingly, RBC believes the analysis is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in RBC s opinion, concerning differences in financial and operating characteristics of the selected companies and other factors that could affect the public trading value of the selected companies.

The following table compares certain information derived by RBC with respect to us, based on both Wall Street research estimates and management projections for E-Z-EM, with certain information derived by RBC with respect to the peer group:

Peer Group

	Datascope	Mean	Median	E-Z-EM
Enterprise value as a multiple of estimated 2008 revenue	1.29x	1.70x	1.59x	0.74x
Stock price as a multiple of estimated calendarized 2008 EPS	19.1x	24.3x	20.9x	15.2x

Using multiples reflected in the table above, RBC calculated a range of implied stock prices of our common stock and compared those implied stock prices to the merger consideration. Calculations of enterprise value as a multiple of revenue were based on net debt of ($45) million as of September 1, 2007, and per share calculations were based on fully diluted shares outstanding using the treasury stock method. The results of this analysis are set forth below:

	Implied Stock Price Per Share Range		E-Z-EM Current Price October 26, 2007	Merger Consideration
	Low	High		
Enterprise value as a multiple of estimated 2008 revenue	$ 17.12	$ 26.24	$ 16.15	$ 21.00
Stock price as a multiple of estimated calendarized 2008 EPS	$ 17.90	$ 24.74	$ 16.15	$ 21.00

Analysis of Selected Precedent Transactions

RBC reviewed the terms of certain recent merger and acquisition transactions in the medical technology industry since January 2003, as reported in SEC filings, public company disclosures, press releases, industry and popular press reports, databases and other sources.

40

Table of Contents

The transactions to which the proposed merger were compared consisted of the following medical technology acquisitions:

Date Announced	Target	Acquiror
10/10/2007	Excel-Tech Ltd.	Natus Medical
10/04/2007	Raytel Cardiac Services	Phillips
07/23/2007	Arrow International	Teleflex
06/05/2007	Medisystems	Nxstage Medical
05/11/2007	VIASYS Healthcare	Cardinal Health
11/28/2006	RITA Medical Systems	AngioDynamics
11/14/2006	Professional Dental Technologies	Zila
10/16/2006	Olympic Medical	Natus Medical
10/08/2006	Vision Systems Limited	Danaher Corporation
09/06/2006	DELTAMED	Natus Medical
07/12/2006	Tiara Medical Systems	VIASYS Healthcare
03/01/2006	Venetec International	CR Bard
02/27/2006	Aircast	dj Orthopedic
02/01/2006	American Medical Instruments Holding	Angiotech Pharmaceuticals
11/14/2005	Compex Technologies	Encore Medical
06/29/2005	Transneuronix	Medtronic
05/13/2004	Horizon Medical Products	RITA Medical Systems
10/13/2003	Amersham	General Electric
09/08/2003	Advanced Respiratory	Hillenbrand
03/18/2003	Jarit Surgical Instruments	Integra Lifesciences
01/13/2003	Bionix Implants	CONMED

These transactions were selected because the target companies were involved in the medical technology business. Although none of the selected transactions involved businesses that are directly comparable to our business, each of the target businesses involved in the selected transactions had operations in the medical technology business, and the operations of the target businesses involved in the selected transactions as a whole for purposes of analysis may be considered comparable to our operations.

RBC reviewed, among other things, transaction values as a multiple of latest twelve months, or LTM, revenue and earnings before interest, taxes, depreciation and amortization, or EBITDA. This analysis resulted in mean and median values of 2.5x and 2.4x mean and median LTM revenues, respectively, and 14.2x and 15.7x mean and median LTM EBITDA, respectively. Based on its analysis of the multiples calculated for the selected medical technology acquisitions, including qualitative judgments involving non-mathematical considerations, RBC determined the relevant range to be 1.25x to 1.75x to E-Z-EM S LTM revenue and 12.0x to 17.0x to E-Z-EM s LTM EBITDA as of October 26, 2007, for implied per share equity value ranges for E-Z-EM of $18.98 to $24.59 and $18.24 to $23.77, respectively, as compared to the merger consideration of $21.00.

Table of Contents

Discounted Cash Flow Analysis

RBC performed a discounted cash flow analysis of E-Z-EM to calculate the estimated present value of the stand-alone, unlevered, after-tax free cash flows that we could generate based on (i) internal estimates of our management for remaining fiscal year 2008 through fiscal year 2012, (ii) estimates of such free cash flows discussed with our management for fiscal year 2013 through fiscal year 2015 and (iii) a range of growth rates in perpetuity, based on projected unlevered, after-tax free cash flow for fiscal year 2015. These E-Z-EM Forecasts reflect certain projections prepared by our management in connection with the proposed transaction. The E-Z-EM forecasts have not been formally approved by our senior management or by our board of directors and have not been prepared with a view toward public disclosure. We do not publicly disclose internal information of the type provided to RBC in connection with RBC s analysis of the merger, and the E-Z-EM forecasts were not prepared with a view toward public disclosure. The E-Z-EM forecasts were prepared in connection with the proposed transaction and are based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of our management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. RBC noted that each of the E-Z-EM forecasts described in this proxy statement are based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of our management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in the E-Z-EM forecasts.

RBC performed a discounted cash flow analysis of E-Z-EM based on perpetual growth rates ranging from 1% to 3% and applied discount rates reflecting a weighted-average cost of capital ranging from 16% to 20%. The discount rate used in this analysis was based on RBC s estimate of our equity cost of capital after taking into account the estimated five-year historical adjusted betas of the selected comparable publicly traded companies. After adjusting for estimated long-term leverage of 5%, consistent with the average of the selected comparable publicly traded companies, these calculations indicated implied per share equity values for E-Z-EM ranging from $18.45 to $25.09, as compared to the merger consideration of $21.00.

Premiums Paid Analysis

RBC performed a premiums paid analysis of the merger based upon its review and analysis of the range of premiums paid in selected announced public acquisition transactions. RBC selected these transactions through a review of SEC filings, public company disclosures, press releases, industry and popular press reports, databases and other sources and applying the following criteria:

- all transactions announced since January 1, 2006, involving U.S. or Canadian target companies with enterprise values between $50 million and $500 million;
- selected transactions announced since January 1, 2006, involving U.S. or Canadian target healthcare companies with enterprise values between $50 million and $500 million; and
- all transactions announced since January 1, 2006, involving U.S. or Canadian target medical technology companies.

Each of these criteria:

- included, in the case of all transactions, transactions in which the U.S. or Canadian target company operated in an industry other than real estate, financial services and government; and
- excluded distressed transactions and transactions with premiums exceeding 150%.

Table of Contents

Premiums were calculated to the target s closing stock price for the trading day immediately prior to the transaction announcement and to the target s closing stock price one month prior to the transaction announcement. The ranges of premiums paid relative to the target company s stock price one day and one month prior to announcement of the transaction were as follows:

	1-Day Premium	1-Month Premium
All U.S. and Canadian M&A Transactions: **2006 YTD 2007, Transaction Values: $50** **million to $500 million (212 transactions)**		
Mean	28.0%	33.0%
Median	20.8%	28.9%
Selected U.S. and Canadian Healthcare M&A Transactions: 2006 YTD 2007, Transaction Values: $50 million to $500 million (22 transactions)		
Mean	30.6%	37.9%
Median	27.9%	38.0%
All U.S. and Canadian MedTech M&A Transactions: 2006 YTD 2007, All Transaction Values (27 transactions)		
Mean	34.4%	40.9%
Median		