

VALLEY FORGE SCIENTIFIC CORP

Form S-4/A

June 07, 2005

As filed with the Securities and Exchange Commission on June 7, 2005

Registration No. 333-125521

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VALLEY FORGE SCIENTIFIC CORP.

(Exact name of registrant as specified in its charter)

PENNSYLVANIA

*(State or other jurisdiction
of incorporation or organization)*

3845

*(Primary Standard Industrial
Classification Code Number)*

23-2131580

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

136 Green Tree Road
Suite 100
Oaks, Pennsylvania 19456
(610) 666-7500

*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

Jerry L. Malis
President and Chief Executive Officer
Valley Forge Scientific Corp.
136 Green Tree Road
Suite 100
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(610) 666-7500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction of all other conditions under the merger agreement described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. _____

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. _____

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Explanatory Note

This pre-effective Amendment No. 1 is being filed solely to correct a printer error in the formatting and transmission of certain pages in the Registration Statement on Form S-4 (Registration No. 333-125521), filed on June 3, 2005, by Valley Forge Scientific Corp. Except as described above, we have made no other changes to the Registration Statement.

The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer, solicitation or sale is not permitted or would be unlawful before registration or qualification under the securities laws of any such jurisdiction. Any representation to the contrary is a criminal offense.

, 2005

SUBJECT TO COMPLETION, DATED

, 2005

[LOGO]

PROXY STATEMENT/PROSPECTUS
OF
VALLEY FORGE SCIENTIFIC CORP.

[LOGO]

PROXY STATEMENT
OF
SYNERGETICS, INC.

Dear Shareholders:

We are pleased to report that the boards of directors of Valley Forge Scientific Corp. (Valley Forge) and Synergetics, Inc. (Synergetics) have approved a merger agreement which provides for the merger of a Valley Forge subsidiary into Synergetics. As a result of the proposed merger, Synergetics will become a wholly-owned subsidiary of Valley Forge. If we complete the proposed merger, the shareholders of Synergetics will become shareholders of Valley Forge and will receive shares of Valley Forge common stock in exchange for their existing Synergetics shares as provided for in the merger agreement. References to the merger agreement contained in this joint proxy statement/prospectus shall be deemed to include the amendments thereto. More information about Valley Forge, Synergetics and the merger is contained in this joint proxy statement/prospectus. **We encourage you to read carefully this joint proxy statement/prospectus, including the section entitled RISK FACTORS beginning on page 23, before voting on any matters to be submitted at the shareholders meetings.**

Valley Forge s common stock is listed on the Boston Stock Exchange under the trading symbol VLF and is traded on the Nasdaq SmallCap Market under the trading symbol VLFG. On [], 2005, the last sale price of shares of Valley Forge s common stock on Nasdaq SmallCap Market was \$[] per share.

In connection with the merger, Valley Forge is submitting a number of proposals to its shareholders to consider and vote upon, including a proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement and a proposal to amend and restate the articles of incorporation of Valley Forge as described below. Following the merger, Synergetics shareholders will own approximately 66% of the outstanding Valley Forge shares on a fully diluted basis. In addition, Valley Forge is calling and holding its 2005 annual meeting of shareholders. In connection with the annual meeting, Valley Forge is submitting a number of additional proposals to its shareholders to consider and vote upon that are typically presented at annual meetings of shareholders, including the election of directors and amendments to, and approval of, Valley Forge s stock option and directors plans. Valley Forge is also submitting a proposal to its shareholders to consider and vote upon the reincorporation of Valley Forge as a Delaware corporation. Throughout this joint proxy statement/prospectus, we refer to this merger as the reincorporation merger. The approval of this proposal is a condition to the closing of the merger. Finally, Valley Forge is submitting a proposal to grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposals submitted herein. The foregoing proposals are more fully described below and in this joint proxy statement/ prospectus.

After careful consideration, based upon the recommendation of its committee of independent directors, the Valley Forge board of directors approved and adopted the merger agreement, the merger and the other related matters contemplated in connection with the merger, including the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders. **The Valley Forge board of directors determined that the merger is in the best interests of Valley Forge shareholders and recommends that you vote FOR the proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders as contemplated by**

the merger agreement.

After careful consideration, the Synergetics board of directors approved and adopted the merger agreement, the merger and the other related matters contemplated in connection with the merger. **The Synergetics board of directors determined that the merger is in the best interests of Synergetics shareholders and recommends that you vote FOR the merger, the merger agreement and the other related matters.**

Valley Forge and Synergetics cannot complete the merger unless the shareholders of Valley Forge approve the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders and a proposal to amend and restate the articles of incorporation of Valley Forge to (1) increase the number of authorized shares of Valley Forge common stock from 20,000,000 shares to 50,000,000 shares, (2) increase the number of directors on the Valley Forge board of directors to seven and (3) divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms, and the shareholders of Synergetics approve and adopt the merger agreement and the merger contemplated by the merger agreement. The obligations of Valley Forge and Synergetics to complete the merger are also subject to the satisfaction or waiver of several other conditions to the merger.

In addition to the foregoing proposals, Valley Forge is submitting five additional proposals to its shareholders to consider and vote upon at the annual meeting. First, Valley Forge is proposing to reincorporate under the laws of the State of Delaware through a merger with a wholly-owned subsidiary established solely for such purpose. Valley Forge cannot complete the reincorporation merger without the approval of its shareholders, as more fully described in this joint proxy statement/prospectus. Under the merger agreement, the completion of the reincorporation merger is required in order to complete the merger. If we complete the merger and the reincorporation merger, Valley Forge will be a Delaware corporation. If we complete the merger, but not the reincorporation merger, and the Synergetics board of directors waives this condition to the merger, the merger will proceed and Valley Forge will remain a Pennsylvania corporation. For ease of reference, when we refer to Valley Forge throughout this joint proxy statement/prospectus, we are referring to Valley Forge Scientific Corp. as a Pennsylvania corporation. When we specifically refer to the Delaware successor to Valley Forge Scientific Corp. following the reincorporation merger, or the combined company generally, we will refer to New Synergetics. When we describe information unique to the combined company as a Pennsylvania corporation, in the case that the Valley Forge shareholders do not approve the reincorporation merger, we will refer to the combined company as New Synergetics-Pennsylvania.

Second, Valley Forge is proposing the election of seven directors to its board of directors, subject to the completion of the merger. Valley Forge's new Class A directors will hold office until the next annual meeting of New Synergetics shareholders, Valley Forge's new Class B directors will hold office until the annual meeting of New Synergetics shareholders in 2007 and Valley Forge's New Class C directors will hold office until the annual meeting of shareholders of Synergetics shareholders in 2008. Of the seven nominees for election to the board of directors of Valley Forge, Gregg D. Scheller, Kurt W. Gampp, Jr., Juanita H. Hinshaw and Larry C. Cardinale, if elected, will not join the board of Valley Forge until consummation of the merger. If the merger is not completed, Valley Forge will fill up to two vacancies on the board of directors in accordance with its governing documents and applicable law. Valley Forge has not yet selected the potential board members to fill any such vacancies.

Third, Valley Forge is proposing to amend the Valley Forge Scientific Corp. 2001 Stock Plan, also known as the Valley Forge stock plan, to increase the number of shares issuable upon exercise of options granted under the Valley Forge stock plan from 345,000 shares to 1,345,000 shares.

Fourth, Valley Forge is proposing to adopt the Valley Forge Scientific Corp. 2005 Non-Employee Directors' Stock Option Plan, also known as the Valley Forge directors' plan, to authorize the issuance of up to 200,000 shares of Valley Forge common stock issuable upon exercise of options granted under the Valley Forge directors' plan.

Fifth, Valley Forge is proposing that its shareholders grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposals submitted herein. In that event, Valley Forge will ask its shareholders to vote only upon this proposal and not any of the other proposals submitted herein.

Based upon the recommendation of its committee of independent directors, the Valley Forge board of directors recommends that Valley Forge shareholders vote:

FOR the proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement;

FOR the proposal to amend and restate the articles of incorporation of Valley Forge;

FOR the proposal to approve the reincorporation merger;

FOR the proposal to elect the seven director nominees to Valley Forge's board of directors;

FOR the proposal to amend the Valley Forge stock plan;

FOR the proposal to adopt the Valley Forge directors' plan; and

FOR the proposal to grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date.

In connection with its special meeting, Synergetics is also proposing that its shareholders grant discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal to approve the merger agreement and the merger contemplated therein. In that event, Synergetics will ask its shareholders to vote upon this proposal and not the proposal to approve the merger agreement and merger contemplated therein.

The Synergetics board of directors recommends that you vote FOR the approval of the merger agreement and the merger contemplated therein and the proposal to grant discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date.

The proposals are being presented to the Valley Forge shareholders at their annual meeting and to the Synergetics shareholders at a special meeting. The dates, times and places of the meetings are as follows:

For Valley Forge Shareholders:
[Day] [Date] [Time], local time at
[Address]

For Synergetics Shareholders:
[Day] [Date] [Time], local time at
[Address]

Your vote is very important. Whether or not you plan to attend your respective company's shareholders' meeting, please take the time to vote by completing and mailing to your company the enclosed proxy card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone. If your shares are held in street name you must instruct your broker in order to vote.

Sincerely,

Jerry L. Malis
President and Chief Executive Officer
Valley Forge Scientific Corp.

Gregg D. Scheller
President and Chief Executive Officer
Synergetics, Inc.

None of the Securities and Exchange Commission, any state securities regulator or any regulatory authority has approved or disapproved of these transactions or the securities to be issued under this joint proxy statement/prospectus or determined if the disclosure in this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], 2005, and is being mailed to shareholders of Valley Forge and Synergetics on or about [], 2005.

**VALLEY FORGE SCIENTIFIC CORP.
136 Green Tree Road
Suite 100
Oaks, Pennsylvania 19456
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON [], 2005**

TO THE SHAREHOLDERS OF VALLEY FORGE SCIENTIFIC CORP.:

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of Valley Forge Scientific Corp., a Pennsylvania corporation (Valley Forge), will be held on [], 2005 at [] a.m., local time, at [], located at []. At the annual meeting, Valley Forge shareholders will consider and vote upon the following:

(1) A proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock in connection with the merger of Synergetics Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Valley Forge (MergerSub), with Synergetics, Inc. (Synergetics) pursuant to the Agreement and Plan of Merger, dated May 2, 2005, as amended by Amendment No. 1 to Agreement and Plan of Merger dated June 2, 2005, by and among Valley Forge, MergerSub and Synergetics. Pursuant to the merger agreement, MergerSub will be merged with and into Synergetics and Synergetics will thereby become a wholly-owned subsidiary of Valley Forge;

(2) A proposal to amend and restate the articles of incorporation of Valley Forge, to:

- (i) increase the number of authorized shares of Valley Forge common stock from 20,000,000 shares to 50,000,000 shares;
- (ii) increase the number of directors on the Valley Forge board of directors to seven; and
- (iii) divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms;

(3) A proposal to approve the reincorporation of Valley Forge under the laws of the State of Delaware through a merger of Valley Forge with VFSC Delaware, Inc., a wholly-owned subsidiary of Valley Forge;

(4) A proposal to elect seven director nominees to the Valley Forge board of directors to serve until their respective successors are elected and qualified, or until the earlier of their death, resignation or removal;

(5) A proposal to amend the Valley Forge Scientific Corp. 2001 Stock Plan, also known as the Valley Forge stock plan, to increase the number of shares issuable upon exercise of options granted under the Valley Forge stock plan from 345,000 shares to 1,345,000 shares;

(6) A proposal to adopt the Valley Forge Scientific Corp. 2005 Non-Employee Directors' Stock Option Plan, also known as the Valley Forge directors' plan, to authorize the issuance of up to 200,000 shares of Valley Forge common stock issuable upon exercise of options granted under the Valley Forge directors' plan;

(7) A proposal to grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposals submitted herein; and

(8) Such other business as may properly come before the annual meeting or any postponements or adjournments thereof.

The foregoing items of business are more fully described in the joint proxy statement/prospectus accompanying this notice of annual meeting of shareholders.

Only Valley Forge shareholders of record at the close of business on [], 2005 are entitled to notice of and to vote at the annual meeting and any postponements or adjournments thereof.

All Valley Forge shareholders are cordially invited to attend the annual meeting in person. However, to ensure representation at the annual meeting, Valley Forge shareholders are urged to mark, sign, date and return the enclosed proxy card as promptly as possible in the postage-prepaid envelope enclosed for that purpose. Any Valley Forge shareholder attending the annual meeting may vote in person even if such shareholder previously returned a proxy card for the annual meeting by giving written notice to the Secretary of Valley Forge.

BY ORDER OF THE BOARD OF DIRECTORS,
Marguerite Ritchie
Secretary

Oaks, Pennsylvania
[], 2005

**SYNERGETICS, INC.
3845 Corporate Centre Drive
St. Charles, Missouri 63304**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [], 2005**

To the Shareholders of Synergetics, Inc.:

A special meeting of the shareholders of Synergetics, Inc. (Synergetics) will be held at [], located at [], on [], 2005 at [] a.m., local time, to consider and vote upon the following:

(1) A proposal to approve the Agreement and Plan of Merger, dated May 2, 2005, as amended by Amendment No. 1 to Agreement and Plan of Merger dated June 2, 2005, by and among Valley Forge Scientific Corp. (Valley Forge), Synergetics Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Valley Forge (MergerSub), and Synergetics, and the merger of MergerSub with and into Synergetics. As a result of the merger, Synergetics will become a wholly-owned subsidiary of Valley Forge and holders of Synergetics common stock will receive an aggregate of 15,973,912 shares of Valley Forge common stock as more fully described in the accompanying joint proxy statement/prospectus;

(2) A proposal to grant discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal to approve the merger agreement and the merger contemplated therein; and

(3) Any other business as may properly come before the special meeting or any adjournment or postponement thereof.

The record date for the special meeting is the close of business on [], 2005. Only Synergetics shareholders of record at that time are entitled to notice of and to vote at the special meeting or any adjournment or postponement thereof. To approve the merger agreement and the merger contemplated therein, the holders of at least two-thirds of all the outstanding shares of Synergetics common stock must vote in favor of the merger agreement and the merger.

The attached joint proxy statement/prospectus contains more detailed information regarding the merger and the merger agreement and includes a copy of the merger agreement.

Your vote is very important. Even if you expect to attend the special meeting, please complete, sign, and date the enclosed proxy card and return it promptly in the enclosed postage-paid envelope. If no instructions are indicated on your proxy card, your shares will be voted FOR the merger. If you do not return your proxy card or vote in person, the effect is a vote AGAINST the merger. You can revoke your proxy at any time before it is exercised by giving written notice to the secretary of Synergetics, or filing another proxy or attending the special meeting and voting in person.

If the merger agreement is approved and the merger is consummated, you will be sent a letter of transmittal with instructions for surrendering your certificates representing shares of Synergetics common stock. Please do not send your share certificates until you receive these materials.

BY ORDER OF THE BOARD OF DIRECTORS,
Kurt W. Gampp, Jr.
Secretary

St. Charles, Missouri
[], 2005

HOW TO OBTAIN ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Valley Forge from other documents filed with the SEC that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that Valley Forge has filed with the SEC and that have been incorporated into this joint proxy statement/prospectus, please see the section captioned WHERE YOU CAN FIND MORE INFORMATION. These documents are available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone at the address and telephone below:

Valley Forge Scientific Corp.
136 Green Tree Road, Suite 100
Oaks, Pennsylvania 19456
Telephone: (610) 666-7500
Facsimile: (610) 666-7565
Attn: Investor Relations

To obtain documents in time for the annual meeting, your request must be received by [], 2005.

IMPORTANT NOTE

In deciding how to vote on the matters described in this joint proxy statement/prospectus, you should rely only on the information contained or incorporated by reference in this joint proxy/prospectus. Neither Valley Forge nor Synergetics has authorized any person to provide you with any information that is different from what is contained in this joint proxy statement/prospectus.

The information contained in this joint proxy statement/prospectus speaks only as of the date indicated on the cover of this joint proxy statement/prospectus unless the information specifically indicates that another date applies.

In addition, if you have any questions about the matters described in this joint proxy statement/prospectus, you may contact:

Valley Forge Scientific Corp.
136 Green Tree Road, Suite 100
Oaks, Pennsylvania 19456
Telephone: (610) 666-7500
Facsimile: (610) 666-7565
Attn: Investor Relations

Synergetics, Inc.
3845 Corporate Centre Drive
St. Charles, Missouri 63304
Telephone: (636) 939-5100
Facsimile: (636) 939-6885
Attn: Pamela G. Boone, Chief Financial Officer

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ANNEXES

Annex A Agreement and Plan of Merger, as amended

Annex B Proposed Amended and Restated Articles of Incorporation of Valley Forge

Annex C Valley Forge Scientific Corp. 2001 Stock Plan

Annex D Valley Forge Scientific Corp. 2005 Non-Employee Directors Stock Option Plan

Annex E Fairness Opinion of Wildwood Capital LLC

Annex F Section 351.455 of the General Business and Corporations Law of Missouri

Annex G Agreement and Plan of Reincorporation Merger

Annex H Proposed Certificate of Incorporation of Synergetics, Inc. (a Delaware Corporation)

Annex I Proposed Bylaws of Synergetics, Inc. (a Delaware Corporation)

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QUESTIONS AND ANSWERS ABOUT THE PROPOSED MERGER

The following are some questions that you, as a shareholder of Valley Forge or Synergetics, may have regarding the merger and the other matters being considered at the respective shareholder meetings of Valley Forge and Synergetics and brief answers to those questions. Valley Forge and Synergetics urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at their respective shareholders' meetings. Additional important information is also contained in the annexes to and the documents incorporated by reference into this joint proxy statement/prospectus.

Q. Why am I receiving this joint proxy statement/prospectus?

A. On May 2, 2005, Valley Forge and Synergetics entered into a merger agreement under which Synergetics will merge with a newly formed subsidiary of Valley Forge and thereby become a wholly-owned subsidiary of Valley Forge. A copy of the merger agreement, as amended, is attached to this joint proxy statement/prospectus as Annex A. The merger has received all requisite corporate approvals of the boards of Valley Forge and Synergetics, and is expected to be completed on [], 2005 or as soon thereafter as practicable. If we complete the merger, Valley Forge will issue an aggregate of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders, other than those Synergetics shareholders who have properly exercised their dissenters' rights. Valley Forge and Synergetics cannot complete the merger unless Valley Forge shareholders approve the issuance of shares of Valley Forge common stock in the merger and the Synergetics shareholders adopt and approve the merger agreement, the merger, and the other matters contemplated in the merger agreement. The Valley Forge board of directors is soliciting your proxy to vote FOR the Valley Forge proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock to the Synergetics shareholders as contemplated by the merger agreement. The Synergetics board of directors is soliciting your proxy to vote FOR the Synergetics proposal to adopt and approve the merger agreement, the merger and the other matters contemplated in the merger agreement. This joint proxy statement/prospectus describes Valley Forge, Synergetics and the merger so that you may make an informed decision with respect to this merger proposal.

In addition, Valley Forge and Synergetics cannot complete the merger unless Valley Forge shareholders approve the proposal to amend and restate the articles of incorporation of Valley Forge to (1) increase the number of authorized shares of Valley Forge common stock from 20,000,000 shares to 50,000,000 shares, (2) increase the number of directors on the Valley Forge board of directors to seven and (3) divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms. Valley Forge cannot amend and restate its articles of incorporation without the approval of its shareholders, as more fully described in this joint proxy statement/prospectus.

Valley Forge is also taking this opportunity to call and hold its 2005 annual meeting of shareholders. At the annual meeting, Valley Forge is submitting five additional proposals for the consideration and approval of its shareholders.

First, Valley Forge is proposing to reincorporate under the laws of the State of Delaware through a merger with a wholly-owned subsidiary established solely for such purpose. Valley Forge cannot complete the reincorporation merger without the approval of its shareholders, as more fully described in this joint proxy statement/prospectus. Under the terms of the merger agreement, the reincorporation of Valley Forge is required to complete the merger. If Valley Forge shareholders approve the issuance of shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement, but not the reincorporation merger, the Synergetics board of directors must waive this condition in order for the merger to proceed, in which case Valley Forge will remain a Pennsylvania corporation.

Second, Valley Forge is proposing the election of seven directors to its board of directors. Valley Forge's new Class A directors will hold office until the next annual meeting of New Synergetics shareholders, Valley Forge's new Class B directors will hold office until the annual meeting of New Synergetics shareholders in 2007, and Valley Forge's new Class C directors will hold office until the annual meeting of New Synergetics shareholders in 2008. Of the seven nominees for election to the board of directors of Valley Forge, Gregg D. Scheller, Kurt W. Gampp, Jr., Juanita H. Hinshaw and Larry C. Cardinale, if elected, will not join the board of Valley Forge until consummation of the merger. If the merger is not completed, Valley Forge will fill up to two vacancies on the board of directors in accordance with its governing documents and applicable law.

Third, Valley Forge is proposing to amend the Valley Forge stock plan to increase the number of shares issuable upon exercise of options granted under the Valley Forge stock plan from 345,000 shares to 1,345,000 shares.

Fourth, Valley Forge is proposing to adopt the Valley Forge directors' plan to authorize the issuance of up to 200,000 shares of Valley Forge common stock issuable upon exercise of options granted under the Valley Forge directors' plan.

Fifth, Valley Forge is proposing that its shareholders grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposals submitted herein.

Q. Why are Valley Forge and Synergetics proposing the merger?

- A. The boards of directors of Valley Forge and Synergetics believe that by combining the complementary, non-overlapping product lines and distribution networks of the two companies, New Synergetics can generate improved long-term operating and financial results and establish a stronger competitive position in the industry. The boards further believe that the combination of Synergetics' unique capabilities in design and manufacture of microsurgical hand instruments and Valley Forge's unique capabilities in bipolar electrosurgical generators will provide New Synergetics with the ability to broaden the markets for products of both entities and increase the penetration in existing markets. To review the reasons for the merger as well as the negative factors considered by the Valley Forge and Synergetics boards of directors in greater detail, see **THE MERGER** Joint Reasons for the Merger beginning on page 46, **THE MERGER** Additional Valley Forge Reasons for the Merger beginning on page 47 and **THE MERGER** Additional Synergetics Reasons for the Merger beginning on page 53. We encourage you to read this joint proxy statement/prospectus carefully, including the section entitled **RISK FACTORS** beginning on page 23, for a discussion of risks associated with the merger and New Synergetics.

Q. What will happen in the merger?

- A. In the merger, Synergetics Acquisition Corporation, a wholly-owned subsidiary of Valley Forge, will merge with Synergetics, with Synergetics surviving as a wholly-owned subsidiary of Valley Forge.

Q. What will Synergetics shareholders be entitled to receive pursuant to the merger?

- A. Upon completion of the merger, Synergetics shareholders will receive an aggregate of 15,973,912 shares of Valley Forge common stock. Synergetics shareholders will receive cash in lieu of any fractional shares of Valley Forge common stock that would otherwise be issued pursuant to the merger. Upon consummation of the merger, Synergetics shareholders would own approximately 66% of Valley Forge's common stock on a fully diluted basis immediately after the proposed merger.

Until the completion of the merger, the trading price of Valley Forge common stock could fluctuate. Because Synergetics shareholders will receive a fixed number of shares of Valley Forge common stock in the merger, the value of Valley Forge common stock they will receive could fluctuate as well.

Therefore, Synergetics shareholders will not know the precise overall economic value of the merger consideration they will receive until the closing date of the merger.

Q. How will Synergetics shareholders be affected by the merger?

A. If the merger is completed, Synergetics shareholders will receive an aggregate of 15,973,912 shares of Valley Forge common stock and will own approximately 66% of the fully diluted shares of common stock of the combined company immediately after the merger. Synergetics' contribution to the combined company's earnings as a percent of total pro forma earnings giving effect to the merger is significantly greater than its percentage ownership of the combined company. The impact of this dilution to Synergetics shareholders following completion of the merger will depend partially on whether the combined company will be able to increase earnings to make up for this dilution.

Q. Will Synergetics shareholders be able to trade the Valley Forge common stock that they receive pursuant to the merger agreement?

A. Yes. Valley Forge common stock is listed on the Boston Stock Exchange under the trading symbol VLF and traded on the over-the-counter market on the Nasdaq SmallCap Market under the trading symbol VLFG. Pending approval of the Nasdaq initial listing application, all shares of Valley Forge common stock that Synergetics shareholders receive pursuant to the merger will be freely transferable unless a shareholder is deemed an affiliate of Synergetics or if such Valley Forge common stock is subject to contractual transfer restrictions. If you are an affiliate of Synergetics, you will be required to comply with the applicable restrictions of Rule 145 under the Securities Act of 1933 (Securities Act) in order to resell the Valley Forge common stock you receive in the merger. In addition, certain affiliates of Valley Forge and Synergetics will be subject to certain contractual transfer restrictions pursuant to a shareholders' agreement to be entered into among such affiliates and New Synergetics.

Q. How will Valley Forge shareholders be affected by the merger and issuance of Valley Forge common stock in the merger?

A. After the merger, Valley Forge shareholders will continue to own their existing shares of Valley Forge common stock. Accordingly, Valley Forge shareholders will hold the same number of shares of Valley Forge common stock that they held immediately before the merger. However, because Valley Forge will be issuing new shares of Valley Forge common stock to Synergetics shareholders in the merger, each outstanding share of Valley Forge common stock immediately before the merger will represent a smaller percentage of the total number of shares of Valley Forge common stock outstanding after the merger. Valley Forge shareholders before the merger will hold approximately 34% of the fully diluted shares of Valley Forge common stock immediately following the merger.

Q. When is the merger expected to be completed?

A. We expect that the merger will be completed about [], 2005 or as soon thereafter as practicable. The completion of the merger is subject to closing conditions and approvals described in the merger agreement.

Q. What are Valley Forge shareholders voting on?

A. Valley Forge shareholders are voting on a proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement. **Approval of this proposal by the Valley Forge shareholders is a condition of the effectiveness of the merger.**

Valley Forge shareholders are also voting on a proposal to amend and restate the articles of incorporation of Valley Forge to (1) increase the number of authorized shares of Valley Forge common stock from 20,000,000 shares to 50,000,000 shares, (2) increase the number of directors on

the Valley Forge board of directors to seven and (3) divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms. **Approval of this proposal is a condition to the effectiveness of the merger.** A copy of the proposed articles of incorporation are attached to this joint proxy statement/prospectus as Annex B.

In addition, Valley Forge shareholders are voting on a proposal to approve the reincorporation of Valley Forge under the laws of the State of Delaware through a merger of Valley Forge and VFSC Delaware, Inc., a wholly-owned subsidiary of Valley Forge. **Approval of this proposal is a condition to the effectiveness of the merger, but is waivable by the Synergetics board of directors.** Under the terms of the merger agreement, the reincorporation of Valley Forge is required to complete the merger. If shareholders approve the merger, but not the reincorporation merger, the Synergetics board of directors must waive this condition in order for the merger to proceed, in which case Valley Forge will remain a Pennsylvania corporation.

Valley Forge shareholders are also voting on a proposal to elect the seven director nominees to the Valley Forge board of directors to serve until their respective successors are elected and qualified, or until the earlier of their death, resignation or removal. **Approval of this proposal is a condition to the effectiveness of the merger.**

Valley Forge shareholders are also voting on a proposal to amend the Valley Forge stock plan to increase the number of shares issuable upon exercise of options granted under the Valley Forge stock plan from 345,000 shares to 1,345,000 shares. A copy of the Valley Forge stock plan is attached to this joint proxy statement/prospectus as Annex C.

Valley Forge shareholders are also voting on a proposal to adopt the Valley Forge directors' plan to authorize the issuance of up to 200,000 shares of Valley Forge common stock issuable upon exercise of options granted under the Valley Forge directors' plan. A copy of the Valley Forge directors' plan is attached to this joint proxy statement/prospectus as Annex D.

Valley Forge shareholders are also voting on a proposal to grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposals submitted herein.

Q: What vote of Valley Forge shareholders is required to approve the foregoing proposals?

A: Each of the proposals to (1) approve the issuance of shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement, (2) amend and restate the articles of incorporation of Valley Forge, (3) approve the reincorporation merger, (4) amend the Valley Forge stock plan, (5) adopt the Valley Forge directors' plan and (6) grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date requires the affirmative vote of the holders of a majority of the shares of Valley Forge common stock represented and voting at the annual meeting, provided a quorum is present. A quorum is established by the presence of holders, in person or by proxy, of a majority of the issued and outstanding shares of Valley Forge common stock entitled to vote at the annual meeting.

The seven nominees receiving the highest number of votes will be elected as directors of Valley Forge.

Q: How does the Valley Forge Board of Directors recommend that Valley Forge shareholders vote?

A: Based upon the recommendation of its independent committee of directors, the Valley Forge board of directors believes that the merger is advisable, and fair to and in the best interests of Valley Forge and its shareholders and recommends that Valley Forge shareholders vote FOR the proposal to issue the shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement.

The Valley Forge board of directors also recommends that Valley Forge shareholders vote FOR the proposal to amend and restate the Valley Forge articles of incorporation to increase the number of authorized shares of Valley Forge common stock, increase the number of directors on the Valley Forge board of directors to seven and divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms, FOR the proposal to approve the reincorporation of Valley Forge under the laws of the State of Delaware, FOR the proposal to elect the seven director nominees to the Valley Forge board of directors, FOR the proposal to amend the Valley Forge stock plan to increase the number of shares issuable under the Valley Forge stock plan to 1,345,000 shares, FOR the proposal to adopt the Valley Forge directors plan to authorize the issuance of up to 200,000 shares of Valley Forge common stock issuable upon exercise of the options granted under the Valley Forge directors plan and FOR the proposal to grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date.

For a more complete description of the recommendations of the Valley Forge board of directors, see THE VALLEY FORGE ANNUAL MEETING Recommendation of the Valley Forge Board of Directors beginning at page 34.

Q: How do the Valley Forge directors and executive officers intend to vote on the merger?

A: Certain of the Valley Forge directors, executive officers and greater than 5% shareholders have entered into a voting agreement with Valley Forge and Synergetics pursuant to which they have agreed to vote all of their respective shares of Valley Forge common stock in favor of Valley Forge's proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock as contemplated by the merger agreement. At the close of business on May 2, 2005, the date of the merger agreement, such directors, executive officers and greater than 5% shareholders of Valley Forge and their affiliates beneficially owned and were entitled to vote 2,694,893 shares of Valley Forge common stock, collectively representing approximately 34% of the shares of Valley Forge common stock outstanding on that date. As of the record date for the Valley Forge annual meeting, such directors, executive officers and greater than 5% shareholders of Valley Forge and their affiliates beneficially owned and were entitled to vote [] shares of Valley Forge common stock, collectively representing approximately []% of the shares of Valley Forge common stock outstanding on that date.

Q: Do any of the Valley Forge directors and executive officers have any special interests in the merger?

A: In considering the recommendation of the Valley Forge board of directors with respect to the issuance of shares of Valley Forge common stock in the merger, you should be aware that members of the Valley Forge board of directors and Valley Forge executive officers have interests in the merger that may be different than, or in addition to, the interests of Valley Forge shareholders generally. These interests include:

the appointment of two current directors of Valley Forge as directors of New Synergetics upon completion of the merger, and the appointment of Jerry L. Malis of Valley Forge as an executive officer of New Synergetics upon completion of the merger;

the execution of a three-year employment agreement between Jerry L. Malis and New Synergetics, providing for, among other things, the receipt of severance payments if Mr. Malis were to be terminated without cause by New Synergetics or if he were to resign for good reason;

a payment of \$4,157,504 payable over approximately six years to Dr. Leonard I. Malis upon the exercise of an option previously granted to Valley Forge to purchase the Malis® trademark, which payment will be evidenced by a promissory note secured by a security interest in the trademark and certain patents; and

the continued indemnification of, and provision of directors and officers insurance coverage to, current directors and officers of Valley Forge following the merger.

The Valley Forge board of directors was aware of these interests and considered them, among other matters, in making its recommendation that the Valley Forge shareholders approve the issuance of shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement and the other proposals submitted herein.

Q: What are Synergetics shareholders voting on?

A: Synergetics shareholders are voting on a proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement. **Approval of this proposal by Synergetics shareholders is a condition to the effectiveness of the merger.**

Synergetics shareholders are also voting on a proposal to grant discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal to approve the merger agreement and the merger contemplated therein.

Q: What vote of Synergetics shareholders is required to approve and adopt the merger agreement and the merger contemplated by the merger agreement?

A: The affirmative vote of the holders of two-thirds of the issued and outstanding shares of Synergetics common stock is required to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

The affirmative vote of the holders of a majority of the shares of Synergetics common stock entitled to vote and represented at the special meeting, in person or by proxy, is required to approve the proposal to grant discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date.

Q: How does the Synergetics Board of Directors recommend that Synergetics shareholders vote?

A: The Synergetics board of directors recommends that Synergetics shareholders vote FOR the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement and FOR the proposal to grant discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date. The Synergetics board of directors has determined that the merger agreement and the merger contemplated by the merger agreement are advisable and in the best interests of Synergetics and its shareholders. Accordingly, the Synergetics board of directors has approved the merger agreement and the merger contemplated by the merger agreement. For a more complete description of the recommendation of the Synergetics board of directors, see THE SYNERGETICS SPECIAL MEETING Recommendation of the Synergetics Board of Directors beginning on page 41.

Q: How do the Synergetics directors and executive officers intend to vote on the merger?

A: All of the directors of Synergetics and certain of their affiliates have entered into a voting agreement with Valley Forge and Synergetics pursuant to which they have agreed to vote all of their respective shares of Synergetics common stock in favor of Synergetics proposal to approve the merger agreement and the merger.

At the close of business on May 2, 2005, the date of the merger agreement, such directors and their affiliates beneficially owned and were entitled to vote 650,088 shares of Synergetics common stock, collectively representing approximately 19% of the shares of Synergetics common stock outstanding on that date. As of the record date for the Synergetics special meeting, such directors and their affiliates beneficially owned and were entitled to vote [] shares of Synergetics common stock,

collectively representing approximately []% of the shares of Synergetics common stock outstanding on that date.

Q: Do any of the Synergetics directors and executive officers have any special interests in the merger?

A: In considering the recommendation of the Synergetics board of directors with respect to the merger agreement and the merger, you should be aware that members of the Synergetics board of directors and Synergetics executive officers have interests in the Synergetics merger that may be different than, or in addition to, the interests of Synergetics shareholders generally. These interests include:

the appointment of two current directors of Synergetics as directors of New Synergetics upon completion of the merger, and the appointment of certain executive officers of Synergetics as executive officers of New Synergetics upon completion of the merger;

the execution of three-year employment agreements between New Synergetics and each of Gregg D. Scheller and Kurt W. Gampp, Jr., providing for, among other things, the receipt of severance payments if Mr. Scheller or Mr. Gampp, as the case may be, were to be terminated without cause by New Synergetics or if Mr. Scheller or Mr. Gampp, as the case may be, were to resign for good reason; and

the continued indemnification of, and provision of directors and officers insurance coverage to, current directors and officers of Synergetics following the merger.

The Synergetics board of directors was aware of these interests and considered them, among other matters, in making its recommendation that the Synergetics shareholders approve the merger agreement and the merger contemplated therein and the grant of discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date.

Q: Who will be on the New Synergetics board of directors if we complete the merger?

A: If Valley Forge and Synergetics complete the merger, subject to the approval of the Valley Forge shareholders, the seven director nominees set forth in this joint proxy statement/prospectus will be the members of the New Synergetics board of directors.

In addition, the New Synergetics organizational documents will provide for a classified board of directors consisting of three classes, as nearly equal in size as practicable, with three-year staggered terms. Class A directors will be comprised of Juanita H. Hinshaw and Robert H. Dick. Class B directors will be comprised of Larry C. Cardinale and []. Class C directors will be comprised of Gregg D. Scheller, Kurt W. Gampp, Jr. and Jerry L. Malis. Class A directors will serve for an initial term of one year and for three-year terms thereafter, if re-elected. Class B directors will serve for an initial term of two years and three-year terms thereafter, if re-elected. Class C directors will serve for an initial term of three years and three-year terms thereafter, if re-elected.

Of the seven nominees for election to the board of directors of Valley Forge, Gregg D. Scheller, Kurt W. Gampp, Jr., Juanita H. Hinshaw and Larry C. Cardinale, if elected, will not join the board of Valley Forge until consummation of the merger. If the merger is not completed, Valley Forge will fill up to two vacancies on the board of directors in accordance with its governing documents and applicable law. Valley Forge has not yet selected the potential board members to fill any such vacancies.

Q: What will happen if I abstain from voting or fail to vote?

A: An abstention occurs when a shareholder attends a meeting, either in person or by proxy, but abstains from voting. An abstention or the failure of a Valley Forge shareholder to vote does not constitute a vote cast for purposes of any of the proposals submitted to the Valley Forge shareholders at the annual meeting.

Accordingly, an abstention or failure to vote has no effect on the votes related to any of the proposals submitted herein.

An abstention or the failure of a Synergetics shareholder to vote will have the same effect as voting AGAINST the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement and the proposal to grant discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date.

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

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the applicable shareholders meeting. You can do this using any of the following methods:
timely delivery by mail of a valid, subsequently-dated proxy;

delivery to the Secretary of your company before or at the applicable shareholders meeting of written notice revoking your proxy or of your intention to vote by ballot at the applicable shareholders meeting; or

submitting a vote by ballot at the applicable shareholders meeting.

If you have instructed a street name holder to vote your shares, you must follow the street name holder's directions in order to change those instructions.

Q: What should I do if I receive more than one set of voting materials for my company's shareholders meeting?

A: You may receive more than one set of voting materials for your company's shareholders meeting, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction forms. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction form 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 or variations thereof, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction form that you receive.

Q: Am I entitled to dissenters' rights?

A: Under Missouri law, holders of Synergetics common stock have the right to dissent from the merger and demand payment in cash of the fair value of the shares of Synergetics held by the dissenting shareholder in lieu of the merger consideration. This right is commonly known as a dissenters' right. If the dissenting shareholder and surviving corporation do not agree on a fair value of the shares, a court of proper jurisdiction will determine the fair value of the shares upon the dissenting shareholder's petition, which could be more than, less than or equal to the value of the merger consideration. To exercise dissenters' rights, Synergetics shareholders must strictly follow the procedures prescribed by Section 351.455 of the General and Business Corporations Law of Missouri (the GBCLM). These procedures are summarized under the section entitled THE MERGER Dissenters' Rights beginning on page 60. In addition, the text of Section 351.455 of the GBCLM is attached as Annex F to this joint proxy statement/prospectus. The information in this joint proxy statement/prospectus is being provided to you to assist you in determining whether to exercise your dissenters' rights in connection with the merger. You should carefully read and consider the information included in this joint proxy statement/prospectus before making a decision. Any Synergetics shareholder wishing to exercise dissenters' rights is urged to consult with legal counsel before attempting to exercise those rights.

Holders of Valley Forge common stock are not entitled to dissenters' rights in connection with the issuance of Valley Forge common stock in the merger.

Neither Valley Forge shareholders nor Synergetics shareholders will have dissenters' rights in connection with the reincorporation merger.

Q: Are there risks I should consider in deciding whether to vote for the merger?

A: Yes. In evaluating the merger, you should carefully consider the factors discussed in the section entitled "RISK FACTORS" on page 23.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please fill out, date and sign your proxy card. Then, mail your signed proxy card in the enclosed postage-prepaid envelope as soon as possible so that your shares may be represented at the respective shareholders' meetings. If you do not include instructions on how to vote your properly signed proxy card, your shares will be voted "FOR" the approval of the proposals set forth in this joint proxy statement/prospectus.

Q: What are the tax consequences to me of the merger?

A: Synergetics shareholders should generally not recognize any gain or loss upon the receipt of the Valley Forge common stock in the merger under Section 368(a)(1)(A) and (a)(2)(E) of the Internal Revenue Code of 1986, as amended (the "Code"), except with respect to cash received in lieu of fractional shares. No gain or loss will be recognized by Synergetics, Valley Forge or Valley Forge shareholders as a result of the merger. Please read carefully the discussion in "THE MERGER - Material Federal Income Tax Consequences" beginning on page 57.

Q: Should I send in my stock certificates now?

A: No. American Stock Transfer & Trust Company, as exchange agent for this transaction, will send you written instructions on how to exchange your stock certificates as soon as practicable upon completion of the merger. You will be entitled to the rights of a Valley Forge shareholder upon consummation of the merger, even if you have not exchanged your stock certificates.

Q: How do the rights of Valley Forge shareholders compare to those of Synergetics shareholders?

A: The rights of Valley Forge shareholders are governed by Pennsylvania law and by Valley Forge's articles of incorporation and bylaws, while the rights of Synergetics shareholders are governed by Missouri law and Synergetics' certificate of incorporation and bylaws. If the reincorporation merger is approved, the rights of the shareholders of Valley Forge (or New Synergetics) will be governed by Delaware law and Valley Forge's (or New Synergetics') certificate of incorporation and bylaws. If the reincorporation merger is not approved, the rights of the shareholders of New Synergetics-Pennsylvania will be governed by Pennsylvania law and Valley Forge's existing articles of incorporation and bylaws, as may be amended in accordance with Valley Forge proposal two submitted herein. For a summary of significant differences between the rights of Valley Forge shareholders and Synergetics shareholders, see "COMPARISON OF RIGHTS OF HOLDERS AND CORPORATE GOVERNANCE MATTERS" beginning on page 135.

Q: Why is Valley Forge proposing the reincorporation merger?

A: The Valley Forge board of directors has determined that it is prudent to reincorporate under the laws of the State of Delaware because it is important for Valley Forge to be able to draw upon well-established principles of corporate governance in making legal and business decisions. The prominence and predictability of Delaware corporate law provides a reliable foundation on which our governance decisions can be based, and Valley Forge believes that its shareholders will benefit from the responsiveness of Delaware corporate law to their needs and the needs of the corporation they own.

Q: What will I receive in the reincorporation merger?

A: If Valley Forge completes the reincorporation merger, each share of Valley Forge common stock will be automatically converted into one share of VFSC Delaware, Inc., which is currently a wholly-owned subsidiary of Valley Forge, incorporated under the laws of the State of Delaware.

Q: What are the United States federal income tax consequences of the reincorporation merger to me?

A: The reincorporation merger will constitute a reorganization within the meaning of Section 368(a)(1)(F) of the Code. As a result, you will not recognize any gain or loss for United States federal income tax purposes as a result of the reincorporation merger.

Q: When does Valley Forge expect to complete the reincorporation merger?

A: If Valley Forge's shareholders approve the reincorporation merger, Valley Forge will complete the reincorporation merger on or about the time of completing the merger. If Valley Forge shareholders approve the reincorporation merger, but do not approve the issuance of shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement, Valley Forge will complete the reincorporation as soon as practicable following the Valley Forge annual meeting.

Q: Will the parties proceed with the merger if the Valley Forge shareholders do not approve the reincorporation merger?

A: Under the terms of the merger agreement, the reincorporation of Valley Forge is required to complete the merger. If Valley Forge's shareholders approve the issuance of shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement, but not the reincorporation merger, and the Synergetics shareholders approve the merger, the Synergetics board of directors must waive this condition in order for the merger to proceed, in which case Valley Forge will remain a Pennsylvania corporation.

Q: Whom should I contact if I have questions about the merger?

A: If you are a Synergetics shareholder and have questions about the merger, you should contact:

SYNERGETICS, INC.
3845 Corporate Centre Drive
St. Charles, Missouri 63304
Phone Number: (636) 939-5100
Attn: Pamela G. Boone, Chief Financial Officer

If you are a Valley Forge shareholder and have questions about the merger, you should contact:

VALLEY FORGE SCIENTIFIC CORP.
136 Green Tree Road
Suite 100
Oaks, Pennsylvania 19456
Phone Number: (610) 666-7500
Attn: Investor Relations

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. You should read carefully this joint proxy statement/prospectus and the description of your dissenters' rights as a Synergetics shareholder under Missouri law set forth in Annex F. In addition, we encourage you to read the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about Valley Forge that has been filed with the SEC. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section of this joint proxy statement/prospectus entitled WHERE YOU CAN FIND MORE INFORMATION beginning on page 175. We have included page references parenthetically to direct you to more complete descriptions of the topics in this summary.

The Companies

Valley Forge

Valley Forge Scientific Corp.
136 Green Tree Road
Suite 100
Oaks, Pennsylvania 19456
(610) 666-7500

Valley Forge, incorporated in Pennsylvania in March 1980, is a medical device company that develops, manufactures and sells medical devices for use in surgery and other healthcare applications. Valley Forge's core business is the sale of bipolar electrosurgical generators and other generators, based on its proprietary DualWave™ technology, and complementary instrumentation and disposable products.

Valley Forge's current line of bipolar electrosurgical products is used in neurosurgery and spine surgery and in dental applications. Valley Forge also recently commenced selling a lesion generator for the percutaneous treatment of pain.

For over 20 years, Valley Forge has had worldwide exclusive distribution agreements with Codman & Shurtleff, Inc. (Codman), a subsidiary of Johnson & Johnson, Inc., to market its bipolar electrosurgical systems and other products in the neurocranial and neurospinal fields. On October 15, 2004, Valley Forge entered into a new agreement with Codman defining their business relationship from October 1, 2004 to December 31, 2005. This agreement was amended effective March 1, 2005. On May 6, 2005, in accordance with the terms of the agreement, Valley Forge notified Codman that, effective July 15, 2005, Codman would be a nonexclusive worldwide distributor of Valley Forge's existing products in the fields of neurocranial and neurospinal surgery until December 31, 2005. Through July 15, 2005, Codman will continue to be the exclusive worldwide distributor of Valley Forge's products in those fields.

Valley Forge's website address is www.vlfg.com. The information on Valley Forge's website is not a part of this prospectus.

Synergetics

Synergetics, Inc.
3845 Corporate Centre Drive
St. Charles, Missouri 63304
(636) 939-5100

Synergetics, incorporated in Missouri in August 1991, is a medical device and distribution company that designs, manufactures and markets precision engineered microsurgical instruments for use in vitreoretinal surgery and neurosurgical applications. Vitreoretinal surgery is generally surgery performed on the most rearward portion of the eye surrounding the retina. Synergetics also develops and manufactures a

specialized line of ophthalmic products as well as a complementary line of precision crafted neurosurgical instruments, capital equipment and disposables.

Synergetics has developed its own in-house marketing and distribution capabilities, as well as a network of approximately 40 third-party distributors servicing approximately 70 countries.

Synergetics website address is www.synergeticsusa.com. The information on Synergetics website is not a part of this prospectus.

The Merger

Merger Consideration

On May 2, 2005, Valley Forge and Synergetics entered into a merger agreement under which a newly formed subsidiary of Valley Forge will merge with Synergetics and as a result, Synergetics will become a wholly-owned subsidiary of Valley Forge. The merger agreement was amended on June 2, 2005. A copy of the merger agreement, as amended, is included as Annex A to this joint proxy statement/prospectus. We encourage you to carefully read the merger agreement in its entirety because it is the legal document that governs the merger.

Pursuant to the merger, Synergetics shareholders will be entitled to receive an aggregate of 15,973,912 shares of Valley Forge common stock. Such shareholders will be entitled to receive cash for any fractional share of Valley Forge common stock that they would otherwise receive pursuant to the merger. Until the completion of the merger, the trading price of Valley Forge common stock could fluctuate. Because Synergetics shareholders will receive a fixed number of shares of Valley Forge common stock in the merger, the value of Valley Forge common stock such shareholders will receive could fluctuate as well. Therefore, Synergetics shareholders will not know the precise overall economic value of the merger consideration they will receive until the closing date of the merger.

At the completion of the merger, each outstanding option to purchase Synergetics common stock will be assumed by Valley Forge and converted into options to acquire Valley Forge common stock. Pursuant to the terms of the Synergetics Incentive Stock Option Plan, 18,500 options of the 37,500 options to purchase shares of Synergetics common stock assumed by Valley Forge will be vested at the completion of the merger.

For ease of reference, when we refer to Valley Forge throughout this joint proxy statement/prospectus, we are referring to Valley Forge Scientific Corp. as a Pennsylvania corporation. When we specifically refer to the Delaware successor to Valley Forge Scientific Corp. following the reincorporation merger for which approval of the Valley Forge shareholders is being solicited, or the combined company generally, we will refer to New Synergetics. When we describe information unique to the combined company as a Pennsylvania corporation, in the case that the Valley Forge shareholders do not approve the reincorporation merger, and the Synergetics board waives such condition to the merger, we will refer to the combined company as New Synergetics-Pennsylvania.

Vote Required (see pages 35 and 40)

The affirmative vote of the holders of a majority of the shares of Valley Forge common stock represented and voting at the annual meeting is required to approve the proposal to issue the shares of Valley Forge common stock to the Synergetics shareholders as contemplated by the merger agreement, provided a quorum is present. As of [], 2005, the record date for the annual meeting, directors and executive officers of Valley Forge and their respective affiliates were entitled to vote [] shares of Valley Forge common stock, collectively representing []% of the shares of Valley Forge common stock outstanding on that date.

The affirmative vote of the holders of two-thirds of the shares of Synergetics common stock entitled to vote at the Synergetics special meeting is required to approve and adopt the merger agreement and the merger contemplated by the merger agreement. As of [], 2005, the record date for the

Synergetics special meeting, directors and executive officers of Synergetics and their respective affiliates were entitled to vote [] shares of Synergetics common stock, collectively representing []% of the shares of Synergetics common stock outstanding on that date.

Ownership of Valley Forge Following the Merger (see page 62)

Synergetics shareholders will receive an aggregate of 15,973,912 shares of Valley Forge common stock pursuant to the merger, or approximately 66% of the fully diluted total number of shares of Valley Forge common stock outstanding following the merger, based on the number of shares of Valley Forge common stock outstanding on May 2, 2005.

Valley Forge Board of Directors after the Merger (see page 69)

Upon the completion of the merger, the Valley Forge board of directors will be increased to seven members. Subject to the approval of Valley Forge shareholders, the directors of Valley Forge after the merger will be as follows: (i) Juanita H. Hinshaw and Robert H. Dick will serve as Class A directors until the next annual meeting of New Synergetics shareholders; (ii) Larry C. Cardinale and [] will serve as Class B directors until the annual meeting of New Synergetics shareholders in 2007; and Jerry L. Malis, President and Chief Executive Officer of Valley Forge, Gregg D. Scheller, President and Chief Executive Officer of Synergetics, and Kurt W. Gampp, Jr., Chief Operating Officer of Synergetics, will serve as Class C directors until the annual meeting of New Synergetics shareholders in 2008.

Of the seven nominees for election to the board of directors of Valley Forge, Gregg D. Scheller, Kurt W. Gampp, Jr., Juanita H. Hinshaw and Larry C. Cardinale, if elected, will not join the board of Valley Forge until consummation of the merger.

Interests of Valley Forge Directors and Executive Officers in the Merger (see page 55)

Certain directors and Jerry L. Malis, President and Chief Executive Officer of Valley Forge, have interests in the merger as directors or executive officers that are different from, or in addition to, those of Valley Forge shareholders generally. If Valley Forge completes the merger, certain indemnification arrangements for current directors and executive officers of Valley Forge will be continued and it is anticipated that certain directors and Mr. Malis will be retained as directors and an executive officer of New Synergetics. In addition, Mr. Malis will enter into a three-year employment agreement with New Synergetics and Dr. Leonard I. Malis will receive \$4,157,504 over a period of approximately six years in connection with the exercise of an option granted to Valley Forge to purchase the Malis® trademark, which payment will be evidenced by a promissory note secured by a security interest in the trademark and certain patents. It is a condition to the completion of the merger that Valley Forge exercises this option before the closing.

Interests of Synergetics Directors and Executive Officers in the Merger (see page 55)

Certain directors and executive officers of Synergetics have interests in the merger as directors or executive officers that are different from, or in addition to, those of Synergetics shareholders generally. If Synergetics completes the merger, certain indemnification arrangements for current directors and executive officers of Synergetics will be continued, and it is anticipated that certain directors and executive officers of Synergetics will be retained as directors and executive officers of New Synergetics. In addition, Gregg D. Scheller and Kurt W. Gampp, Jr. will enter into three-year employment agreements with New Synergetics.

Material Federal Income Tax Consequences (see page 57)

We have structured the merger so that, in general, no gain or loss will be recognized by Synergetics shareholders for United States federal income tax purposes on the exchange of shares of Synergetics common stock for shares of Valley Forge common stock under Section 368(a)(1)(A) and (a)(2)(E) of the Code. Synergetics shareholders, however, will recognize gain for United States federal income tax

purposes on any cash received in lieu of fractional shares. Synergetics must receive a legal opinion to this effect as a condition to the closing of the merger. The legal opinion will not opine on the effect of the reincorporation merger of Valley Forge under Section 368(a)(1)(F) of the Code and will specifically except out any effect that the reincorporation merger will have on the merger under Section 368(a)(1)(A) and (a)(2)(E) of the Code.

Tax matters are very complicated, and the tax consequences of the merger to Synergetics shareholders will depend on the facts of their own situations. Synergetics shareholders should read carefully the discussion in the section entitled **THE MERGER** Material United States Federal Income Tax Considerations beginning on page 57 and to consult their own tax advisors for a full understanding of the specific tax consequences of the merger to them.

Accounting Treatment (see page 59)

The transaction described in this joint proxy statement/prospectus will be accounted for as a purchase, as that term is used under generally accepted accounting principles, commonly referred to as GAAP, for accounting and financial reporting purposes. Valley Forge will be treated as the acquired corporation for these purposes. Valley Forge's assets, liabilities and other items will be adjusted to their fair value with fair value of the acquired corporation determined based on the quoted market price of Valley Forge's common stock for a reasonable period before and after the date that the terms of the acquisition were agreed to and announced and combined with the historical carrying values of the assets and liabilities of Synergetics. Applicable income tax effects of these adjustments will be included as a component of the combined company's deferred tax asset or liability. Goodwill and intangible assets that have indefinite useful lives resulting from this transaction will be reported as long-term assets subject to annual impairment reviews.

Regulatory Approvals (see page 59)

Other than the filing of a certificate of merger under Delaware law and Missouri law with respect to the merger, Valley Forge and Synergetics do not believe that any additional material government filings are required with respect to the merger.

Dissenters' Rights (see page 60)

Under Missouri law, Synergetics shareholders who dissent from the merger and comply with the procedural requirements of Section 351.455 of the GBCLM, more fully described under the section entitled **THE MERGER** Dissenters' Rights beginning on page 60, may demand payment in cash of the fair value of their shares of Synergetics common stock in lieu of the merger consideration. These rights are commonly known as dissenters' rights. If the dissenting shareholder and surviving corporation do not agree on a fair value of the shares, a court of proper jurisdiction will determine the fair value upon the dissenting shareholder's petition, which could be more than, less than or equal to the value of the merger consideration. Dissenting shareholders lose their dissenters' rights if they fail to follow all of the procedures required by Section 351.455 of the GBCLM. In addition to reviewing the information on page 60 concerning these rights, shareholders wishing to exercise their dissenters' rights should read Section 351.455 of the GBCLM, attached as Annex F, and are urged to consult with legal counsel before exercising their rights.

Conditions to Completion of the Merger (see page 70)

A number of conditions must be satisfied before the merger will be completed. These include among others: the approval of the issuance of shares of Valley Forge common stock to the Synergetics shareholders as contemplated by the merger agreement by the Valley Forge shareholders, and the approval and adoption of the merger agreement and the merger contemplated by the merger agreement by the Synergetics shareholders;

the SEC must have declared this registration statement effective;

the absence of any legal restraints or prohibitions preventing the completion of the merger;

the continued authorization for listing on the Nasdaq SmallCap Market of the shares of Valley Forge common stock to be issued in the merger;

the delivery to Synergetics of a tax opinion of legal counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a)(1)(A) and (a)(2)(E) of the Code;

the nominees for the Valley Forge board of directors as set forth in this joint proxy statement/prospectus shall have been properly elected by the Valley Forge shareholders;

the representations and warranties of each party contained in the merger agreement being true and correct, except to the extent that breaches of these representations and warranties would not result in a material adverse effect on the representing party;

the performance or compliance in all material respects of each party with all agreements and covenants contained in the merger agreement at the completion of the merger; and

the absence of events or developments since the date of the merger agreement that would reasonably be expected to have a material adverse effect with respect to either party.

Each of Valley Forge, MergerSub and Synergetics may waive certain of the conditions to the performance of its respective obligations under the merger agreement and complete the merger even though one or more of these conditions has not been met. Neither Valley Forge nor Synergetics can give any assurance that all of the conditions to the merger will be either satisfied or waived or that the merger will occur.

Termination of the Merger Agreement (see page 73)

Under the circumstances specified in the merger agreement, either Valley Forge or Synergetics may terminate the merger agreement. Subject to the limitations set forth in the merger agreement, the circumstances generally include if: there is mutual written consent of Valley Forge and Synergetics;

the merger is not completed by September 30, 2005, provided that neither party may terminate the merger agreement if its breach precluded the consummation of the merger;

the required approval of the shareholders of each of Valley Forge and Synergetics has not been obtained at their respective shareholders meetings;

the other party materially breaches its representations or warranties in the merger agreement;

the other party fails to satisfy any of the conditions specified in the merger agreement by September 30, 2005; or

the other party fails to perform or comply with any material covenant or agreement contained in the merger agreement and such failure is not cured within 30 days after receiving written notice of such failure.

Break-Up Fee (see page 73)

If, under certain limited circumstances specified in the merger agreement, either Valley Forge or Synergetics desires to terminate the merger agreement, the other party may be required to pay the terminating party a break-up fee of \$1,000,000.

Valley Forge Common Stock is Freely Transferable by Non-Affiliates (see page 60)

Valley Forge common stock issued in the merger will be freely transferable by Synergetics shareholders immediately following the merger unless a shareholder is deemed to be an affiliate of Synergetics under applicable federal securities laws. Generally, affiliates include directors, executive officers and persons holding more than 10% of Synergetics outstanding stock. In addition, certain affiliates of Synergetics will be subject to contractual transfer restrictions as provided in the shareholders agreement.

Reasons for the Merger (see page 46)

The boards of directors of Valley Forge and Synergetics believe that by combining the complementary, non-overlapping product lines and distribution networks of the two companies, New Synergetics can generate improved long-term operating and financial results and establish a stronger competitive position in the industry. The boards further believe that the combination of Synergetics unique capabilities in design and manufacture of microsurgical hand instruments and Valley Forge's unique capabilities in medical electronics will provide New Synergetics with the ability to broaden the markets for products of both entities and increase the penetration in existing markets. Each of the boards of directors of Valley Forge and Synergetics has identified additional potential mutual benefits of the merger that they believe will contribute to the success of New Synergetics. These potential benefits include principally the following:

the merger's resultant combined technologies, including technology bases in power generation, bipolar delivery systems, waveform technology, finely machined hand tools, illumination systems and lasers, will open access to applications in other surgical and microsurgical fields;

the combination of research and development teams will provide a greater depth of experience, knowledge and resources and will lessen our dependence on outside sources; and

the creation of a larger sales and service organization worldwide, including our distribution partners, the expansion of the companies' dedicated sales teams and a higher profile with customers, presenting greater opportunities for marketing the products of New Synergetics.

Valley Forge and Synergetics have each identified additional reasons for the merger, which are discussed below. See THE MERGER Joint Reasons for the Merger, THE MERGER Additional Valley Forge Reasons for the Merger and THE MERGER Additional Synergetics Reasons for the Merger.

Opinion of Valley Forge Financial Advisor (see page 49)

Valley Forge's financial advisor delivered to the Valley Forge board of directors an opinion that, based upon and subject to the considerations and assumptions contained in the opinion, the consideration to be paid to Synergetics shareholders pursuant to the merger transaction is fair from a financial point of view to the Valley Forge shareholders. The opinion is attached to this joint proxy statement/prospectus as Annex E. The opinion was provided for the information and assistance of the Valley Forge board of directors in connection with its consideration of the merger and is not a recommendation as to how any holder of Valley Forge common stock should vote.

Summary Selected Historical Financial Data of Valley Forge

The following tables summarize Valley Forge's consolidated financial data. The statement of operations data for the years ended September 30, 2004, 2003 and 2002 and the balance sheet data as of September 30, 2004 and 2003 have been derived from audited consolidated financial statements included elsewhere in this joint proxy statement/prospectus. The consolidated statement of operations for the years ended September 30, 2001 and 2000 and the balance sheet data as of September 30, 2002, 2001 and 2000 have been derived from audited consolidated financial statements that are not included in this joint proxy statement/prospectus, but are available upon request. The financial data at March 31, 2005 and for the six

months ended March 31, 2005 and 2004 are derived from unaudited consolidated financial statements included elsewhere in this joint proxy statement/prospectus and, in the opinion of Valley Forge's management, include all necessary adjustments for a fair presentation of those data in conformity with GAAP. The historical results are not necessarily indicative of the results of operations to be expected in the future. Results for the six-month period ended March 31, 2005 may not be indicative of the results for the full fiscal year or for any other future period. You should read the summary consolidated financial data together with the consolidated financial statements and related notes of Valley Forge and the other financial information of Valley Forge included in this joint proxy statement/prospectus and incorporated by reference in this joint proxy statement/prospectus, as well as VALLEY FORGE MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS beginning on page 117.

	Fiscal Year-Ended September 30,					Six Months Ended March 31,	
	2004	2003	2002	2001	2000	2005	2004
(In thousands, except per share data)							
Statements of Operations Data:							
Net sales	\$ 4,756	\$ 4,474	\$ 5,022	\$ 5,263	\$ 4,398	\$ 3,228	\$ 2,332
Cost of sales	2,316	2,265	2,463	2,692	2,443	1,483	1,067
Gross profit	2,440	2,209	2,559	2,571	1,955	1,746	1,265
Income (loss) from operations	178	155	632	486	(111)	376	135
Net income (loss)	111	109	381	330	(54)	139	81
Earnings (loss) per common share from continuing operations:							
Basic	\$ 0.01	\$ 0.01	\$ 0.05	\$ 0.04	\$ (0.01)	\$ 0.02	\$ 0.01
Diluted	\$ 0.01	\$ 0.01	\$ 0.05	\$ 0.04	\$ (0.01)	\$ 0.02	\$ 0.01

	September 30,					March 31,
	2004	2003	2002	2001	2000	2005
(In thousands)						
Balance Sheets Data:						
Cash and cash equivalents	\$ 2,323	\$ 2,306	\$ 2,544	\$ 1,501	\$ 965	\$ 2,647
Current assets	3,977	3,777	3,982	3,517	3,094	4,500
Total assets	4,523	4,374	4,570	4,171	3,852	5,061
Current liabilities	258	216	353	283	182	657
Long-term liabilities	16	20	14	19	21	15
Retained earnings (deficit)	721	609	501	120	(210)	860
Stockholders' equity	4,249	4,138	4,202	3,869	3,649	4,388

Summary Selected Historical Financial Data of Synergetics

The following tables summarize Synergetics' consolidated financial data. The statements of income data for the years ended July 31, 2004, 2003 and 2002 and the balance sheets data as of July 31, 2004 and 2003 have been derived from audited consolidated financial statements included elsewhere in this joint proxy statement/prospectus. The consolidated statements of income for the years ended July 31, 2001 and 2000 and the balance sheets data as of July 31, 2002, 2001 and 2000 have been derived from audited consolidated financial statements that are not included

in this joint proxy statement/ prospectus. The financial data at January 31, 2005 and for the six months ended January 31, 2005 and 2004 are derived from unaudited condensed consolidated financial statements included elsewhere in this joint proxy statement/ prospectus and, in the opinion of Synergetics management, include all necessary adjustments for a fair presentation of those data in conformity with GAAP. The historical results are not necessarily indicative of the results of operations to be expected in the future. Results for the six-month period ended

January 31, 2005 may not be indicative of the results for the full fiscal year or for any other future period. You should read the summary consolidated financial data together with the audited consolidated financial statements, unaudited condensed consolidated financial statements and related notes thereto of Synergetics appearing elsewhere in this prospectus, as well as SYNERGETICS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS beginning on page 93 and the other financial information of Synergetics included elsewhere in this joint proxy statement/ prospectus.

	Fiscal Year-Ended July 31,					Six Months Ended January 31,	
	2004	2003	2002	2001	2000	2005	2004
(In thousands except per share data)							
Statements of Income Data:							
Net sales	\$ 16,887	\$ 13,017	\$ 10,447	\$ 8,315	\$ 7,103	\$ 10,322	\$ 7,524
Cost of sales	6,514	4,483	3,609	3,853	3,097	3,675	3,240
Gross profit	10,373	8,534	6,838	4,462	4,007	6,646	4,284
Income from operations	1,690	1,866	1,572	251	925	1,348	557
Net income	1,094	1,091	1,004	113	583	795	338
Earnings per common share:							
Basic	\$ 0.32	\$ 0.32	\$ 0.31			\$ 0.23	\$ 0.10
Diluted	\$ 0.32	\$ 0.32	\$ 0.31			\$ 0.23	\$ 0.10

	July 31,					January 31,
	2004	2003	2002	2001	2000	2005
(In thousands)						
Balance Sheets Data:						
Cash and cash equivalents	\$ 1,540	\$ 1,049	\$ 943	\$ 1,249	\$ 1,659	\$ 817
Current assets	9,563	7,709	5,920	4,980	4,695	10,637
Total assets	14,474	12,254	7,724	6,144	6,326	15,567
Current liabilities	2,862	1,687	1,396	1,724	788	2,719
Long-term liabilities	3,113	3,251	254	234	1,353	3,554
Retained earnings	3,944	2,851	1,760	756	644	4,739
Stockholders' equity	8,499	7,316	6,074	4,185	4,184	9,294

Selected Unaudited Consolidated Pro Forma Combined Financial Data

The following selected unaudited pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of (i) results of operations and financial position that would have been achieved if Valley Forge and Synergetics had been merged or (ii) the future operations of the combined company. The following table should be relied on only for the limited purpose of presenting what the results of operations and financial position of the combined businesses of Valley Forge and Synergetics might have looked like had the merger taken place at an earlier date. For a discussion of the assumptions and adjustments made in the preparation of the pro forma financial information presented in this joint proxy/prospectus statement, see the section captioned UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS beginning on page 76. The selected unaudited pro forma condensed combined financial data should be read in conjunction with the consolidated financial statements of Valley Forge and Synergetics and other information filed by Valley Forge and Synergetics with the SEC included elsewhere

in, and incorporated by reference into, this joint

proxy statement/ prospectus. See WHERE YOU CAN FIND MORE INFORMATION beginning on page 175.

The following selected unaudited pro forma condensed combined financial data for the statement of income dates gives effect to the merger as if it had occurred as of the beginning of the periods presented. The selected unaudited pro forma condensed combined financial data for the balance sheet gives effect to the merger as if it had occurred as of the balance sheet dates presented.

Six Months Periods Ended	Years Ended
January 31, 2005 and March 31, 2005	July 31, 2004 and September 30, 2004

(In thousands, except per share data)

Statements of Income Data:			
Income from operations	\$	1,666	\$ 1,636
Earnings per common share from continuing operations			
Basic	\$	0.03	\$ 0.04
Diluted	\$	0.03	\$ 0.04

**January 31,
2005 and
March 31, 2005**

(In thousands)

Balance Sheet Data:	
Current assets	\$ 15,187
Total assets	39,822
Current liabilities	3,786
Long-term liabilities	8,369
Shareholders' equity	27,667

Comparative Per Share Data

The following table presents net income and book value per share data for Valley Forge and Synergetics on (i) a historical basis and (ii) a pro forma combined basis per share of Valley Forge common stock, giving effect to the merger.

The following information should be read in conjunction with (i) the historical consolidated financial statements and related notes of Valley Forge and Synergetics included elsewhere in, and incorporated by reference into, this joint proxy/prospectus statement and (ii) the unaudited pro forma condensed combined financial statements and the accompanying notes in the section captioned UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS beginning on page 76. The pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations that would have resulted if the merger had been completed as of the assumed dates or of the results that will be achieved in the future. The annual periods referred to below are fiscal year ended July 31, 2004 for Synergetics and fiscal year ended September 30, 2004 for Valley

Forge. The interim periods referred to below are six months ended January 31, 2005 for Synergetics and six months ended March 31, 2005 for Valley Forge.

	Historical Synergetics	Historical Valley Forge	Pro Forma Combined	Pro Forma Equivalent of One Synergetics Share(1)
Earnings per common share				
Basic:				
Annual periods	\$ 0.32	\$ 0.01	\$ 0.04	\$ 0.18
Interim periods	0.23	0.02	0.03	0.14
Earnings per common share				
Diluted:				
Annual periods	\$ 0.32	\$ 0.01	\$ 0.04	\$ 0.18
Interim periods	0.23	0.02	0.03	0.14
Book value of equity per common share:				
End of annual periods	\$ 2.43	\$ 0.54	\$ 1.12	\$ 5.15
End of interim periods	2.66	0.55	1.16	5.34
Dividends declared per common share:				
Annual periods	\$	\$	\$	
Interim periods				
Weighted average outstanding common shares Basic:				
Annual periods	3,401,184	7,913,712	23,887,624	
Interim periods	3,412,614	7,913,712	23,887,624	
Weighted average outstanding common shares Diluted:				
Annual periods	3,413,866	7,976,833	23,950,745	
Interim periods	3,425,295	7,967,048	23,940,960	

- (1) The pro forma equivalent of Synergetics share amounts were calculated by applying the exchange ratio of approximately 4.6 to the pro forma combined net earnings and book value per share assuming the issuance of 15,973,912 shares of Valley Forge common stock.

Market Price and Dividend Information

Valley Forge common stock is listed on the Boston Stock Exchange under the trading symbol VLF and traded on the over-the-counter market on the Nasdaq SmallCap Market under the trading symbol VLFG. On May 2, 2005, the last full trading day before the public announcement of the proposed merger, the last reported sale price of one share of Valley Forge common stock, as reported on Nasdaq, was \$1.87. On [], 2005, the last day for which information was available before the date of this joint proxy statement/ prospectus, the last reported sale price of one share of Valley Forge common stock, as reported on Nasdaq, was \$[]. Synergetics is unable to provide information with respect to the market price of shares of Synergetics common stock, and the equivalent per share market prices of Valley Forge common stock have been omitted, because there is no trading market for shares of Synergetics common stock.

Valley Forge has not paid dividends to date and does not anticipate paying any dividends on its common stock in the foreseeable future. Synergetics has never paid a cash dividend on its common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/ prospectus contains and incorporates by reference forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business strategies, competitive positions, growth opportunities for existing products and plans and objectives of management of Valley Forge and Synergetics, as well as the market for Valley Forge common stock and other matters. Statements in this joint proxy statement/ prospectus that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act. These forward-looking statements, including those relating to the future business prospects, revenues and income of Valley Forge and Synergetics, wherever they occur in this joint proxy statement/ prospectus, are necessarily estimates reflecting the judgment of the management of Valley Forge and Synergetics and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors, including those contained or incorporated by reference in this joint proxy statement/ prospectus.

Words such as estimate, project, plan, intend, expect, believe and similar expressions are intended to identify forward-looking statements. These forward-looking statements are found at various places throughout this joint proxy statement/ prospectus and the other documents incorporated by reference, including the Annual Report on Form 10-K for the year ended September 30, 2004 of Valley Forge. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/ prospectus. The forward-looking statements included in this joint proxy statement/ prospectus are made only as of the date hereof. Except as required under United States federal securities laws and the rules and regulations of the SEC, we do not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/ prospectus or to reflect the occurrence of unanticipated events.

The risks, uncertainties and assumptions that are involved in these forward-looking statements include those risks and uncertainties described in **RISK FACTORS** beginning on page 23 of this joint proxy statement/ prospectus. Those risks are representative of the risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially from what is expressed or forecast in forward-looking statements.

In addition to the risk factors identified elsewhere, important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: the effects of local and national economic, credit and capital market conditions on the economy in general, and on the medical device industry in particular, and the effects of foreign exchange rates and interest rates;

the ability to obtain the approvals of each company's shareholders, to obtain or meet the closing conditions in the merger agreement, and to otherwise complete the merger in a timely manner;

the ability to timely and cost-effectively integrate the operations and management of Valley Forge and Synergetics;

the ability to realize the synergies and other perceived advantages resulting from the merger;

the ability to retain and attract key personnel both before and after the merger;

the ability of each company to successfully execute its business strategies;

the extent and timing of market acceptance of new products or product indications;

the ability of each company to procure, maintain, enforce and defend its patents and proprietary rights;

changes in laws, including increased tax rates, regulations or accounting standards, third-party relations and approvals, and decisions of courts, regulators and governmental bodies;

the ability of the combined company to continue to increase customer loyalty;

the ability to recoup costs of capital investments through higher revenues;

environmental restrictions, soil and water conditions, weather and other hazards, site access matters and building permit issues;

the effects of environmental and structural building conditions relating to our properties;

acts of war or terrorism incidents; and

the effects of operating and market competition.

RISK FACTORS

In determining whether to vote for approval of the issuance of shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement (including the related Valley Forge proposals described in this joint proxy statement/prospectus), in the case of Valley Forge shareholders, or for approval and adoption of the merger agreement and the merger contemplated by the merger agreement or whether to exercise dissenters' rights in connection with the merger, in the case of Synergetics shareholders, you should consider carefully the matters described below and the other information included and incorporated by reference in this joint proxy statement/prospectus, including the risk factors and other considerations set forth in the reports and documents filed by Valley Forge with the SEC. See INFORMATION INCORPORATED BY REFERENCE on page 175.

Risks Relating to the Merger

The issuance of shares of Valley Forge common stock to Synergetics shareholders in the merger will cause a significant reduction in the relative percentage interest of current Synergetics' shareholders in earnings of the combined company relative to the comparable earnings of Synergetics as of the date of the merger agreement.

If the merger is completed, an aggregate of 15,973,912 shares of Valley Forge common stock will be issued to Synergetics shareholders. Current Valley Forge shareholders will own, in the aggregate, approximately 34% of the fully diluted shares of common stock of the combined company immediately after the merger, and the current Synergetics shareholders will own, in the aggregate, approximately 66% of the fully diluted shares of common stock of the combined company immediately after the merger. Synergetics' contribution to the combined company's earnings as a percentage of total pro forma earnings giving effect to the merger will be substantially greater than the aggregate percentage interest of the Synergetics shareholders in the combined company's outstanding shares following the merger. The long-term effect of this dilution to Synergetics shareholders following completion of the merger will be dependent, in part, on whether New Synergetics will be able to increase earnings beyond the level of the combined historical earnings of Valley Forge and Synergetics.

The number of shares of Valley Forge common stock to be received by Synergetics shareholders in the merger is fixed and will not be adjusted in the event of any change in stock price.

Upon completion of the merger, the outstanding shares of Synergetics common stock will be converted into the right to receive an aggregate of 15,973,912 shares of Valley Forge common stock. The market value of Valley Forge common stock has varied since Valley Forge and Synergetics entered into the merger agreement and will continue to vary in the future due to changes in the business, operations or prospects of Valley Forge and Synergetics, market assessments of the merger, market and economic considerations and other factors. There will be no adjustment to the number of shares of Valley Forge common stock to be issued to Synergetics shareholders to reflect changes in the market price of Valley Forge common stock, changes in the operations of Valley Forge or Synergetics following the execution of the merger agreement or any other changes, except for any adjustment that may be necessary to reflect the effect of any stock split or other recapitalization of Valley Forge common stock or Synergetics common stock. The dollar value of Valley Forge common stock that Synergetics shareholders will receive upon completion of the merger will depend on the market value of Valley Forge common stock at the time of completion of the merger, which may be different from, and lower than, the closing price of Valley Forge common stock as of the date of this joint proxy statement/prospectus.

The issuance of shares of Valley Forge common stock to Synergetics shareholders in the merger will substantially reduce the percentage interests of Valley Forge shareholders.

If the merger is completed, an aggregate of 15,973,912 shares of Valley Forge common stock will be issued to Synergetics shareholders and, upon exercise of assumed options, up to 172,267 shares will be issued to holders of assumed options. Based on the number of shares of Valley Forge common stock

outstanding as of the date of the merger agreement, Synergetics shareholders will own, in the aggregate, approximately 66% of the fully diluted shares of Valley Forge common stock immediately after the merger. The issuance of approximately up to 16,146,180 shares of Valley Forge common stock to Synergetics shareholders and holders of assumed options will cause a significant reduction in the relative percentage interest of current Valley Forge shareholders in the total outstanding shares of Valley Forge common stock. Consequently, current Valley Forge shareholders may be able to exercise less influence over the management and policies of the combined company than they presently exercise over the management and policies of Valley Forge.

Before the closing of the merger Valley Forge will be required to submit an initial listing application to Nasdaq and meet, on a post-merger basis, all initial inclusion criteria on the Nasdaq SmallCap Market.

Valley Forge's common stock is currently traded on the Nasdaq SmallCap Market. Nasdaq has advised Valley Forge that it considers the proposed merger with Synergetics to be a Reverse Merger under Nasdaq's Marketplace Rules. Based on this conclusion, Nasdaq has advised Valley Forge that before the closing of the merger Valley Forge will be required to submit an initial listing application to Nasdaq and after the merger it will be required to meet all initial inclusion criteria on the Nasdaq SmallCap Market. Nasdaq has advised Valley Forge that failure to satisfy these requirements after the closing of the merger will result in a delisting of Valley Forge's common stock from the Nasdaq SmallCap Market. The criteria for initial inclusion of the post-merger Valley Forge common stock includes, among other things:

a closing bid price of at least \$4.00 per share;

Valley Forge's satisfaction after the merger of either \$5 million stockholders' equity, \$50 million market value of listed securities, or \$750,000 net income from continuing operations; and

satisfaction of all independent director and committee requirements.

Valley Forge expects to be able to meet the criteria for initial inclusion, but cannot guarantee that it will be able to do so. If Valley Forge does not satisfy these initial listing criteria, then Valley Forge's common stock will be delisted from the Nasdaq SmallCap Market, which would result in less liquidity for the New Synergetics shareholders following the merger and could negatively impact investors' perceptions of New Synergetics in the financial markets.

If Valley Forge and Synergetics are not successful in integrating their organizations, the anticipated benefits of the transaction may not be realized.

If Valley Forge, Synergetics and the shareholders of the combined company are to realize the anticipated benefits of the transaction, the operations of Valley Forge and Synergetics must be integrated efficiently. The combination of two independent companies is a complex, costly and time-consuming process. This process may disrupt the business of either or both of the companies and may not result in all of the benefits expected by Valley Forge or Synergetics. Neither can assure you that the integration of operations and management will be successful or that the anticipated benefits of the merger will be fully realized. Further, Valley Forge cannot guarantee that the Synergetics shareholders will achieve greater value through their ownership of Valley Forge common stock than they would have achieved as shareholders of Synergetics as a separate entity.

The difficulties of combining the operations of the companies include, among others:

developing a strategic vision for New Synergetics, communicating it to the market and executing on this strategic vision;

rapidly and successfully integrating Valley Forge's products into the existing Synergetics' distribution channels while simultaneously launching the new generation Valley Forge multifunctional bipolar electrosurgical generator;

coordinating and harmonizing research and development activities to accelerate introduction of new products and technologies, and to react more quickly to market conditions, all at a reduced cost;

preserving customer, distribution, reseller, manufacturing, supplier, marketing and other important relationships of both Valley Forge and Synergetics and resolving any potential conflicts that may arise;

coordinating sales and marketing functions, particularly in the neurosurgery market;

retaining and attracting key employees;

managing the diversion of management's attention from ongoing business concerns;

consolidating operations, including rationalizing corporate information technology and administrative infrastructures; and

coordinating geographically separate organizations.

As a result of these integration efforts, New Synergetics may incur substantial costs, and its revenues and the value of its common stock may decrease.

If the proposed merger is not completed, Valley Forge and Synergetics will have incurred substantial costs that may adversely affect Valley Forge's and Synergetics' financial results and operations and the value of Valley Forge's common stock.

Valley Forge and Synergetics have incurred and will incur substantial costs in connection with the proposed merger. These costs are primarily associated with the fees of attorneys, accountants, printers and Valley Forge's financial advisor. In addition, Valley Forge and Synergetics have each diverted significant management resources in an effort to complete the merger and are each subject to restrictions contained in the merger agreement on the conduct of their businesses. If the merger is not completed, Valley Forge and Synergetics will have received little or no benefit to offset these substantial costs. Also, if the merger is not completed under certain circumstances specified in the merger agreement, Valley Forge or Synergetics may be required to pay the other a break-up fee of \$1,000,000.

In addition, if the merger is not completed, Valley Forge and Synergetics may experience negative reactions from the financial markets and Valley Forge's and Synergetics' collaborative partners, customers and employees. Each of these factors may adversely affect the trading price of Valley Forge common stock and Valley Forge's and Synergetics' financial results and operations.

Provisions of the merger agreement may deter alternative business combinations and could negatively impact the stock prices of Valley Forge and Synergetics if the merger agreement is terminated under certain circumstances.

Restrictions in the merger agreement on solicitation generally prohibit Valley Forge and Synergetics from soliciting any acquisition proposal or offer for a merger or business combination with any other party, including a proposal that might be advantageous to the shareholders of Valley Forge or Synergetics when compared to the terms and conditions of the merger described in this joint proxy statement/ prospectus. In addition, if the merger is not completed under certain circumstances specified in the merger agreement, Valley Forge or Synergetics may be required to pay the other a break-up fee of \$1,000,000. These provisions may deter third parties from proposing or pursuing alternative business combinations that might result in greater value to Valley Forge or Synergetics shareholders than the merger.

Certain directors and executive officers of Valley Forge and Synergetics have interests in the merger that may be different from, or in addition to, the interests of Valley Forge and Synergetics shareholders.

When considering their respective boards of directors' recommendation that Synergetics shareholders vote in favor of the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement, or Valley Forge shareholders vote in favor of the proposal to issue shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement and in favor of the other related Valley Forge proposals, such shareholders should be aware that some directors and executive officers of Valley Forge and Synergetics have interests in the merger that may be different from,

or in addition to, the interests of Synergetics shareholders. These interests include the appointment of Synergetics current Chief Executive Officer and Chief Operating Officer to the Valley Forge board of directors following completion of the merger and the right to continued indemnification and insurance coverage by Valley Forge for acts or omissions occurring before the merger. In addition, such executive officers and the current Chief Executive Officer of Valley Forge will enter into three-year employment agreements with New Synergetics that will provide for, among other things, severance payments to be paid to such executive officers if they are terminated without cause by New Synergetics or if they resign for good reason. Finally, Dr. Leonard Malis, a current member of Valley Forge's board of directors, will receive \$4,157,504 over a period of approximately six years upon Valley Forge's exercise of its right to purchase the Malis® trademark, which is a condition to the completion of the merger. As a result of these interests, these directors and officers could be more likely to vote to approve and adopt the merger agreement and the merger contemplated by the merger agreement and the related proposals included in this joint proxy statement/ prospectus than if they did not hold these interests and may have reasons for doing so that are not the same as the interests of other Valley Forge and Synergetics shareholders.

Risks Relating to the Business of the Combined Company

Valley Forge currently relies on its relationship with a single customer for a significant portion of its revenues, which makes Valley Forge's financial position and operating results and the results of New Synergetics following the merger vulnerable to the loss of that customer.

Valley Forge's most important relationship is with Codman & Shurtleff, Inc., an affiliate of Johnson & Johnson, for the sale of its neurosurgery products. Sales to Codman accounted for 68% of its sales for the first six months of fiscal 2005, 86% of its sales in fiscal year 2004, and 95% and 90% of its sales in fiscal years 2003 and 2002, respectively. Under Valley Forge's agreement with Codman, its exclusive distributorship relationship will expire on July 15, 2005. In addition, the agreement will expire on December 31, 2005, or earlier pursuant to the terms of the agreement.

The impact to Valley Forge of the expiration of its exclusive relationship with Codman, and the corresponding termination of Codman's minimum purchase obligations under the agreement, is uncertain. If Valley Forge is unable to establish alternative or additional channels of distribution for its products, it may be unable to achieve the same revenue levels as those that have historically resulted from Valley Forge's relationship with Codman. In addition, any continuation of the distribution agreement with Codman beyond December 31, 2005 could be on terms less favorable to New Synergetics than the existing distribution agreement with Codman.

If any of our single source suppliers were to cease providing components, we may not be able to produce our products.

Synergetics relies on a single source for the supply of the ultrasonic aspirator sold in the United States and Canada under the Synergetics Omni® brand. Net sales of Synergetics Omni® ultrasonic aspirator for each of Synergetics fiscal year ended July 31, 2004 and the six-month period ended January 31, 2005 amounted to greater than 10% of total net sales for such periods. Also, the manufacture of Synergetics PHOTON® xenon light source depends on single sources for several key components. In addition, Valley Forge currently subcontracts for the manufacturing of its disposable cord and tubing sets with a single manufacturer. If any of these suppliers become unwilling or unable to provide products or components in the required volumes and quality levels or in a timely manner, we would be required to locate and contract with substitute suppliers. Although we believe that alternative sources for many of these components and raw materials are available, we could have difficulty identifying a substitute supplier in a timely manner or on commercially reasonable terms and may have to pay higher prices to obtain the necessary materials. Any supply interruption could harm our ability to manufacture our products until a new source of supply is identified and qualified.

Valley Forge has also become aware that the manufacturers of several parts used in our currently available bipolar electrosurgical generator models will no longer be manufacturing these parts in the near

future. While we have arranged to purchase and maintain a significant inventory of these parts and are developing alternatives for these parts, our efforts may not be sufficient depending on our unit sales. Alternative parts, if available, would require engineering redesign and may require regulatory approval before the manufacture of additional new units. In addition, in the event that we determine to continue the manufacture and sale of the existing product line together with our new multifunctional bipolar electrosurgical generator, such redesign, part sourcing and regulatory approval may also be required.

The medical device industry is highly competitive, and we may be unable to compete effectively with other companies.

The medical technology industry is characterized by intense competition. We compete with established medical technology companies and early stage companies that have alternative solutions for the markets we serve or intend to serve. Many of our competitors have access to greater financial, technical, research and development, marketing, manufacturing, sales, distribution services and other resources than we do. Further, our competitors may be more effective at implementing their technologies to develop commercial products. Certain of the medical indications that can be treated by our devices can also be treated by other medical devices or by medical practices that do not include a device. The medical community widely accepts many alternative treatments and certain of these other treatments have a long history of use.

Our competitive position will depend on our ability to achieve market acceptance for our products, develop new products, implement production and marketing plans, secure regulatory approval for products under development, and protect our intellectual property. We may need to develop new applications for our products to remain competitive. Technological advances by one or more of our current or future competitors could render our present or future products obsolete or uneconomical. Our future success will depend upon our ability to compete effectively against current technology as well as to respond effectively to technological advances and upon our ability to successfully implement our joint marketing strategies and execute our research and development plan.

Our future results are dependent, in part, upon the successful introduction of our new multifunctional bipolar electrosurgical generator.

Our future success, in a large part, may depend upon the successful launch of Valley Forge's new multifunctional bipolar electrosurgical generator and new proprietary single-use, hand-switching bipolar instruments. While we believe that this new generator and related instruments represent significant advancements in technology and performance and will replace other surgical tools in certain applications, such as monopolar electrosurgical systems and lasers, their success in the marketplace is dependent upon several factors including:

the completion of the design and testing;

their acceptance by surgeons;

the recognition by hospitals and surgical centers that the new generator and instruments are sufficiently improved and beneficial to warrant the cost of acquisition and training;

our ability to create a sales network;

our ability to sustain our average selling price through this network; and

the reaction of our competitors in this market.

Our products may not be accepted in the market.

We cannot be certain that our current products or any other products that we have or may develop or market will achieve or maintain market acceptance. We cannot be certain that our devices and procedures they perform will be able to replace those established treatments or that either physicians or the medical community in general will accept and utilize our devices or any other medical products that we may

develop. For example, we cannot be certain that the medical community will accept our new multifunctional electrosurgical generator and proprietary hand-switching bipolar electrosurgical instruments over traditional monopolar electrosurgical generators and instruments.

Market acceptance of our products depends on many factors, including our ability to:

convince third-party distributors and customers that our technology is an attractive alternative to other technologies;

manufacture products in sufficient quantities and at acceptable costs; and

supply and service sufficient quantities of our products directly or through distribution alliances.

If we do not introduce new commercially successful products in a timely manner, our products may become obsolete over time, thereby decreasing our revenue and profitability.

Demand for our products may change because of evolving customer needs, the introduction of new products and technologies, the discovery of cures for certain medical problems, evolving surgical practices and evolving industry standards. Without the timely introduction of new commercially successful products and enhancements, our products may become obsolete over time, causing our sales and operating results to suffer. The success of our new products will depend on several factors, including our ability to:

properly identify and anticipate customer needs;

commercialize new products in a cost-effective and timely manner;

manufacture and deliver products in sufficient volumes on time;

obtain regulatory approval for new products;

differentiate our products from those of competitors;

achieve positive clinical outcomes;

satisfy the increased demands by health care payors, providers and patients for lower-cost procedures and shorter hospital stays and recovery times;

innovate and develop new materials, product designs and surgical techniques; and

provide adequate medical and/or customer education relating to new products and attract key surgeons to advocate these new products.

New products and enhancements usually require a substantial investment in research and development before we can determine the viability of the product, and we may not have the financial resources necessary to fund this research and development. Moreover, new products and enhancements may not produce revenues in excess of the research and development costs, and they may be quickly obsolete by changing customer preferences or the introduction by our competitors of new technologies or features.

Our operating results may fluctuate.

Our operating results have fluctuated in the past and can be expected to fluctuate from time-to-time in the future. Some of the factors that may cause these fluctuations include, but are not limited to:

the introduction of new product lines;

product modifications;

the level of market acceptance of our products;

the timing of research and development expenditures;

timing of the receipt of orders from, and product shipments to, distributors and customers;

timing of expenditures;

changes in the distribution arrangements for our products;

manufacturing or supply delays;

the time needed to educate and train additional sales personnel;

costs associated with product introduction;

product returns; and

receipt of necessary regulatory approvals.

Changes in the health care industry may require us to decrease the selling price for our products or could result in a reduction in the size of the market for our products, each of which could have a negative impact on our financial performance.

Trends toward managed care, health care cost containment, and other changes in government and private sector initiatives in the United States and other countries in which we do business are placing increased emphasis on the delivery of more cost-effective medical therapies that could adversely affect the sale or the prices of our products. For example:

there has been a consolidation among health care facilities and purchasers of medical devices in the United States who prefer to limit the number of suppliers from whom they purchase medical products, and these entities may decide to stop purchasing our products or demand discounts on our prices;

major third-party payors of hospital services, including Medicare, Medicaid and private health care insurers, have substantially revised their payment methodologies, which has resulted in stricter standards for reimbursement of hospital charges for certain medical procedures;

Medicare, Medicaid and private health care insurer cutbacks could create downward price pressure on our products;

numerous legislative proposals have been considered that would result in major reforms in the United States health care system that could have an adverse effect on our business;

there is economic pressure to contain health care costs in international markets; and

there have been initiatives by third-party payors to challenge the prices charged for medical products that could affect our ability to sell products on a competitive basis.

Both the pressures to reduce prices for our products in response to these trends and the decrease in the size of the market as a result of these trends could adversely affect our levels of revenues and profitability of sales.

We will first need to obtain regulatory approval to market our products under development. We may be subject to penalties and may be precluded from marketing our products if we fail to comply with extensive governmental regulations.

Our research and development activities and the manufacturing, labeling, distribution and marketing of our existing and future products are subject to regulation by numerous governmental agencies in the United States and in other countries. The FDA and comparable agencies in other countries impose mandatory procedures and standards for the conduct of clinical trials and the production and marketing of products for diagnostic and human therapeutic use.

Products we have under development are subject to FDA approval or clearance before marketing for commercial use. The process of obtaining necessary FDA approvals or clearances can take years and is expensive and full of uncertainties. Our inability to obtain required regulatory approval or clearance on a timely or acceptable basis could harm our business. Further, approval or clearance may place substantial restrictions on the indications for which the

product may be marketed or to whom it may be marketed.

Further studies may be required to gain approval or clearance for the use of a product for clinical indications other than those for which the product was initially approved or cleared or for significant changes to the product.

Furthermore, another risk of application to the FDA relates to the regulatory classification of new products or proposed new uses for existing products. In the filing of each application, we are required to make a judgment about the appropriate form and content of the application. If the FDA disagrees with our judgment in any particular case and, for example, requires us to file a Premarket Approval Application (PMA) rather than allowing us to market for approved uses while we seek broader approvals or requires extensive additional clinical data, the time and expense required to obtain the required approval might be significantly increased or approval might not be granted. Approved and cleared products are subject to continuing FDA requirements relating to quality control and quality assurance, maintenance of records, reporting of adverse events and product recalls, documentation, and labeling and promotion of medical devices.

The FDA as well as foreign regulatory authorities require that our products be manufactured according to rigorous standards. These regulatory requirements may significantly increase our production costs and may even prevent us from making our products in amounts sufficient to meet market demand. If we change our approved manufacturing process, the FDA may need to review the process before it may be used. Failure to develop our manufacturing capability may mean that even if we develop promising new products, we may not be able to produce them profitably, as a result of delays and additional capital investment costs. In addition, failure to comply with applicable regulatory requirements could subject us to enforcement action, including product seizures, recalls, withdrawal of clearances or approvals, restrictions on or injunctions against marketing our product or products based on our technology, and civil and criminal penalties.

We may not achieve our intended benefits from our significant investment in the Malis® trademark.

Valley Forge holds an option to acquire the Malis® trademark at any time over a period of five years. The Malis® trademark is a name widely recognized and respected in the neurosurgery field. Valley Forge will exercise this option before the closing of the merger. When Valley Forge exercises the option, Dr. Malis will be paid an aggregate of \$4,157,504 over a period of approximately six years. We plan to deploy our sales team and existing distribution network for the introduction of an expected Malis® branded product line. It is possible that we will not be successful in effectively promoting the Malis® brand or in optimizing sales of our neurosurgical product line. The content of the promotional messages for the Malis® product platform may not sufficiently convey the merits of the products and may not be successful in convincing surgeons and hospitals to purchase Malis® products instead of products manufactured by our competitors. If any of these situations occur, Valley Forge may not be able to realize the full value of its investment in the Malis® trademark.

Our intellectual property rights may not provide meaningful commercial protection for our products and could adversely affect our ability to compete in the market.

Our ability to compete effectively depends, in part, on our ability to maintain the proprietary nature of our technologies and manufacturing processes, which includes the ability to obtain, protect and enforce patents on our technology and to protect our trade secrets. We own patents that cover significant aspects of our products. Certain of our patents have expired and others will expire in the future. In addition, challenges may be made to our patents and, as a result, our patents could be narrowed, invalidated or rendered unenforceable. Competitors may develop products similar to ours that our patents do not cover. In addition, our current and future patent applications may not result in the issuance of patents in the United States or foreign countries. Further, there is a substantial backlog of patent applications at the U.S. Patent and Trademark Office, and the approval or rejection of patent applications may take several years. We may become subject to patent infringement claims or litigation or interference proceedings declared by the U.S. Patent and Trademark Office to determine the priority of invention.

Our competitive position depends, in part, upon unpatented trade secrets, which are difficult to protect. Others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets. In an effort to protect our trade secrets, we generally require certain of our employees, consultants and advisors to execute proprietary information and invention assignment agreements upon commencement of employment or consulting relationships with us. These agreements typically provide that, except in specified circumstances, all confidential information developed or made known to the individual during the course of his or her relationship with us must be kept confidential. Some jurisdictions limit the enforceability and scope of these agreements and these agreements may not provide meaningful protection for our trade secrets or other proprietary information in the event of the unauthorized use or disclosure of confidential information.

Managing the expansion or move into our new facilities may affect our ability to meet product delivery requirements.

In January 2005, Synergetics commenced construction of a 27,000 square foot addition to its principal manufacturing facility and headquarters building in St. Charles, Missouri. Substantial completion of the addition is projected for September 2005, with occupancy expected in the calendar fourth quarter of 2005. In addition, Valley Forge has recently entered into a combination sublease and lease for approximately 13,500 square feet of assembly, engineering, manufacturing and office space in Upper Merion Township, Pennsylvania and anticipates moving its entire operations during the third and fourth quarters of fiscal year 2005. Moving and expanding our operations into these new facilities may result in a significant disruption in our assembly, manufacturing, inventory, shipping, engineering and research and development abilities and further result in erosion of our anticipated revenues and earnings. Many matters could affect the move or expansion, including the time required to ready our new facilities, the time required to plan and execute the move or expansion, our ability to quickly resume operations in the new facility and the additional burden on our management team to plan and complete this relocation or expansion.

We may have product liability claims, and our insurance may not cover all claims.

Our products involve a risk of product liability claims. We may not be able to obtain insurance for the potential liability on acceptable terms with adequate coverage or at reasonable costs. Any potential product liability claims could exceed the amount of our insurance coverage or may be excluded from coverage under the terms of the policy. Further, our insurance may not be renewed at a cost and level of coverage comparable to that then in effect.

The loss of key personnel could harm our business.

We believe our success depends on the contributions of a number of our key personnel, including Messrs. Scheller, Gampp and Malis, our future Chief Executive Officer, Chief Operating Officer and Chief Scientific Officer, respectively. If we lose the services of key personnel, those losses could materially harm our business. We maintain key person life insurance on Messrs. Scheller and Gampp, but do not have significant key person life insurance on Mr. Malis.

If we are unable to hire, train and retain additional sales, marketing, operations, engineering and finance personnel, our growth may be impaired.

To grow our business successfully and maintain a high level of quality, we will need to recruit, retain and motivate additional highly-skilled sales, marketing, engineering and finance personnel. If we are not able to hire, train and retain a sufficient number of qualified employees, our growth may be impaired. In particular, we will need to expand our sales and marketing organizations in order to increase market awareness of our products and to increase revenues. In addition, as a company focused on the development of complex products, we will need to hire additional engineering staff of various experience levels in order to meet our product development roadmap. Competition for skilled employees is intense.

We plan to expand our international sales and distribution operations, and the success of our international expansion is subject to significant uncertainties.

We believe that we must expand our international sales and distribution operations to have continued growth. We expect to sell an increasing portion of our products to customers overseas. In attempting to conduct and expand business internationally, we are exposed to various risks that could adversely affect our international operations and, consequently, our operating results, including:

difficulties and costs of staffing and managing international operations;

fluctuations in currency exchange rates;

unexpected changes in regulatory requirements, including imposition of currency exchange controls;

longer accounts receivable collection cycles;

import or export licensing requirements;

potentially adverse tax consequences;

political and economic instability;

obtaining regulatory approval for our products;

potentially reduced protection for intellectual property rights; and

subjectivity to foreign laws.

In addition, because we have suppliers that are located outside of the United States, we are subject to risks generally associated with contracting with foreign suppliers and may experience problems in the timeliness and the adequacy or quality of product deliveries.

The market price of our stock may be highly volatile.

The market price of New Synergetics common stock could fluctuate substantially due to a variety of factors, including:

our ability to successfully commercialize our products;

the execution of new agreements and material changes in our relationships with companies with whom we contract;

quarterly fluctuations in results of operations;

announcements regarding technological innovations or new commercial products by us or our competitors or the results of regulatory approval filings;

market reaction to trends in sales, marketing and research and development and reaction to acquisitions, including the merger;

sales of common stock by existing shareholders;

economic and political condition; and

fluctuations in the United States financial markets.

Historically, the trading volume for Valley Forge common stock has been limited.

Valley Forge's common stock is thinly traded in comparison to companies with greater market capitalization. As a result, large sell trades, negative news and general economic pressures on the stock market can have an impact on the price of our common stock that is more pronounced than securities of other issuers with larger listed stock volume or higher prices per share. If shareholders seek to sell their shares in a thinly traded stock, it may be difficult to obtain the price desired. A large percentage of the outstanding shares of common stock of New Synergetics will be held by management and insiders upon

completion of the merger, so the float is limited and the stock is much less liquid than larger market cap companies. For a period of 12 months following the closing of the merger, certain of our directors, officers and principal shareholders will not be permitted to sell any shares of New Synergetics common stock pursuant to the terms of the shareholders' agreement. Following the expiration of this 12-month period, such insiders will be free to sell their shares, subject to such limitations as are applicable under the federal securities laws and corporate policies. Accordingly, the potential for such large blocks of shares to come to market, and the actual coming to market of these shares, could adversely affect the trading price of the common stock of New Synergetics.

New Synergetics will have anti-takeover defenses that could delay or prevent an acquisition and could adversely affect the price of its common stock.

Provisions of the Valley Forge articles of incorporation, bylaws and Pennsylvania law may have the effect of deterring hostile takeovers or delaying or preventing changes in control of Valley Forge's management, including transactions in which Valley Forge's shareholders might otherwise receive a premium for their shares over then current market prices. In addition, these provisions may limit the ability of the Valley Forge shareholders to approve transactions that they may deem to be in their best interest. Also, if the Valley Forge shareholders approve the proposal to amend and restate the articles of incorporation of Valley Forge, the Valley Forge board of directors will be divided into three classes, as nearly equal in size as practicable, with three-year staggered terms. This provision may deter a potential acquirer from engaging in a transaction with Valley Forge because it will be unable to gain control of the Valley Forge board of directors through at least two meetings in which directors are elected by Valley Forge shareholders.

If the reincorporation merger occurs, New Synergetics' certificate of incorporation, bylaws and Delaware law will provide for substantially the same anti-takeover defenses as those for Valley Forge. In addition, certain provisions of the New Synergetics' Delaware certificate of incorporation and bylaws will limit the manner by which shareholders may call a special meeting and require an affirmative vote of two-thirds of the shareholders entitled to vote to remove a director, amend the bylaws or amend certain specified provisions of the certificate of incorporation.

Compliance with rules and regulations concerning corporate governance may be costly and time consuming.

The Sarbanes-Oxley Act of 2002 requires, among other things, that public companies adopt and maintain corporate governance measures and imposes comprehensive reporting and disclosure requirements, establishes stringent independence and financial expertise standards for boards of directors and audit committee members and contains increased civil and criminal penalties for companies, their chief executive officers and chief financial officers for securities laws violations. Moreover, public companies are required to maintain effective internal controls over financial reporting and disclose material weaknesses in such controls. Furthermore, the Nasdaq SmallCap Market, on which New Synergetics common stock will be traded pending approval of its listing application, has adopted additional rules and regulations relating to corporate governance.

Because Synergetics, as it currently exists, is a private company, it is unfamiliar with the magnitude and cost of complying with the requirements of the Sarbanes-Oxley Act and the Nasdaq SmallCap Market. Furthermore, certain of those directors and executive officers who will serve as directors and executive officers of New Synergetics do not have experience in managing a public company subject to these regulations. To help address this risk, Synergetics has hired Pamela G. Boone, who has public company experience, to serve as its Chief Financial Officer. Ms. Boone will serve as New Synergetics' Chief Financial Officer following the merger. The scope, complexity and cost of New Synergetics' corporate governance, reporting and disclosure practices, coupled with members of management new to the public company arena, could impact New Synergetics' results of operations and divert management's attention from business operations. These rules and regulations may also make it more difficult and expensive for New Synergetics to obtain directors' and officers' liability insurance and attract and retain qualified members of the New Synergetics board of directors, especially those willing to serve on New Synergetics' audit committee.

THE VALLEY FORGE ANNUAL MEETING

Valley Forge is sending this joint proxy statement/prospectus to the shareholders of Valley Forge to provide important information in connection with the solicitation of proxies by the Valley Forge board of directors for use at the 2005 annual meeting of Valley Forge shareholders and at any adjournment or postponement of the meeting. This joint proxy statement/prospectus is being mailed to Valley Forge shareholders on or about [], 2005.

Date, Time and Place of the Valley Forge Annual Meeting

The annual meeting will be held at [], Eastern Time, on [], 2005, at [].

Purpose of the Annual Meeting

At the meeting, Valley Forge shareholders will be asked to consider and vote upon the following:

1. A proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders in connection with the merger of Synergetics with Synergetics Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Valley Forge (MergerSub), pursuant to the Agreement and Plan of Merger, dated May 2, 2005, as amended by Amendment No. 1 to Agreement and Plan of Merger dated June 2, 2005, by and among Valley Forge, MergerSub and Synergetics;
2. A proposal to amend and restate the articles of incorporation of Valley Forge to:
 - (i) increase the number of authorized shares of Valley Forge common stock from 20,000,000 shares to 50,000,000 shares;
 - (ii) increase the number of directors on the Valley Forge board of directors to seven; and
 - (iii) divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms;
3. A proposal to approve the reincorporation of Valley Forge under the laws of the State of Delaware through a merger of Valley Forge with VFSC Delaware, Inc., a wholly-owned subsidiary of Valley Forge;
4. A proposal to elect seven director nominees to the Valley Forge board of directors to serve until their respective successors are elected and qualified, or until the earlier of their death, resignation or removal;
5. A proposal to amend the Valley Forge stock plan to increase the number of shares issuable upon the exercise of options granted under the Valley Forge stock plan from 345,000 shares to 1,345,000 shares;
6. A proposal to adopt the Valley Forge directors plan to authorize the issuance of up to 200,000 shares of Valley Forge common stock issuable upon exercise of options granted under the Valley Forge directors plan;
7. A proposal to grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposals submitted herein; and
8. Any other business as may properly come before the meeting and any adjournment or postponement of the meeting.

Valley Forge shareholders will vote on each proposal separately. Except as described below, the vote of a Valley Forge shareholder on one proposal has no bearing on any of the other proposals, any other matter that may properly come before the annual meeting or any adjournment or postponement thereof.

Record Date

The Valley Forge board has fixed the close of business on [], 2005 as the record date for determining the Valley Forge shareholders entitled to vote at the annual meeting. Only holders of record of Valley Forge common stock as of the close of business on that date are entitled to vote at the annual meeting.

Valley Forge has one class of common stock outstanding, no par value per share. As of the record date, there were [] shares of Valley Forge common stock issued and outstanding, constituting all of Valley Forge's outstanding voting stock, held by approximately [] holders of record. Each share of Valley Forge common stock issued and outstanding as of the record date entitles its holder to cast one vote at the annual meeting.

Admission to the Annual Meeting

Only Valley Forge shareholders of record on the record date, their designated proxies and guests of Valley Forge may attend the Valley Forge annual meeting. Shareholders attending the meeting will be given a ballot at the meeting. Please note, however, that if the shares are held in street name, which means that the shares are held by a bank, broker or other nominee (street name holder), and the shareholder wishes to vote at the annual meeting, the shareholder must follow the instructions discussed in the section below entitled *Voting Shares in Person that are Held Through Street Name Holders*.

Quorum

To conduct business at the annual meeting, a quorum must be present. The holders of a majority of the shares of Valley Forge common stock issued and outstanding and entitled to vote at the annual meeting constitute a quorum. Holders of shares of common stock present in person or represented by proxy (including holders of shares who abstain or do not vote with respect to one or more of the matters presented for shareholder approval) will be counted for purposes of determining whether a quorum exists at the annual meeting. If a quorum is not present at the annual meeting, the meeting may be adjourned or postponed to solicit additional proxies.

Vote Required

Proposal One. Approval of the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement will require the affirmative vote of the holders of a majority of the shares of Valley Forge common stock represented and voting at the annual meeting. The consummation of the merger is contingent upon approval of proposal one.

Proposal Two. Approval to amend and restate the articles of incorporation of Valley Forge to (1) increase the number of authorized shares of Valley Forge common stock from 20,000,000 shares to 50,000,000 shares, (2) increase the number of directors on the Valley Forge board of directors to seven and (3) divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms will require the affirmative vote of the holders of a majority of the shares of Valley Forge common stock represented and voting at the annual meeting. The consummation of the merger is contingent upon approval of proposal two.

Proposal Three. Approval of the reincorporation merger will require the affirmative vote of the holders of a majority of the shares of Valley Forge common stock represented and voting at the annual meeting. The consummation of the merger is contingent upon approval of proposal three as a condition to the merger under the terms of the merger agreement, unless waived by the Synergetics board of directors.

Proposal Four. The candidates for the Valley Forge board of directors receiving the seven highest vote totals will be elected to serve as directors of Valley Forge. The consummation of the merger is contingent upon approval of proposal four as a condition to the merger under the terms of the merger agreement, unless waived by the Synergetics board of directors.

Proposal Five. Approval to amend the Valley Forge stock plan to increase the number of shares issuable upon exercise of options granted under the Valley Forge stock plan from 345,000 shares to 1,345,000 shares will require the affirmative vote of the holders of a majority of the shares of Valley Forge common stock represented and voting at Valley Forge's annual meeting.

Proposal Six. Approval to adopt the Valley Forge directors' plan to authorize the issuance of up to 200,000 shares of Valley Forge common stock issuable upon exercise of options granted under the Valley Forge directors' plan will require the affirmative vote of the holders of a majority of the shares of Valley Forge common stock represented and voting at Valley Forge's annual meeting.

Proposal Seven. Approval of the proposal to grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date, if necessary, will require the affirmative vote of the holders of a majority of the shares of Valley Forge common stock represented and voting at Valley Forge's annual meeting.

Voting of Shares

General. Shares may be voted at the annual meeting by voting in person at the annual meeting or by submitting a proxy in the manner described below. To vote by proxy, Valley Forge shareholders must complete and mail to Valley Forge the enclosed proxy card in the enclosed envelope. Shares represented by a properly executed and dated proxy will be voted at the annual meeting in accordance with the instructions indicated on the proxy. Proxies that are properly executed and dated but which do not contain voting instructions will be voted FOR each of the proposals. The proxy holder may vote the proxy in its discretion as to any other matter which may properly come before the annual meeting.

Valley Forge shareholders may receive more than one proxy card depending on how their shares of Valley Forge common stock are held. For example, if a shareholder's shares are held in street name, the shareholder may receive proxy materials from that street name holder. Generally, shareholders need to sign and return all of their proxy cards to vote all of their shares.

Abstentions. The shares represented by a properly executed proxy marked ABSTAIN as to a particular proposal will not be voted with respect to that proposal at the annual meeting. If a Valley Forge shareholder submits a proxy and affirmatively elects to abstain from voting, the proxy will be counted as present for purposes of determining the presence of a quorum but will have no effect on the votes related to any of the proposals submitted herein.

Broker Non-Votes. If a shareholder's shares of Valley Forge common stock are held in street name, the street name holder will only vote the shares for the shareholder if he or she provides the street name holder with instructions on how to vote the shares. The street name holder cannot vote a shareholder's shares without specific instructions from the shareholder. Because the affirmative vote of a majority of the shares voting and represented at the annual meeting is required to pass each of the proposals submitted herein (other than the election of directors), if a shareholder does not instruct his or her street name holder how to vote, it will have no effect on the votes related to these proposals. Broker non-votes also have no effect on the election of the director nominees, as the seven nominees receiving the highest votes will be elected to the board.

Voting Shares in Person that are Held Through Street Name Holders. If a Valley Forge shareholder's shares are held by a street name holder and he or she wishes to vote those shares in person at the annual meeting, he or she must obtain from the street name holder a properly executed legal proxy identifying the shareholder as a Valley Forge shareholder, authorizing the shareholder to act on behalf of the street name holder at the annual meeting and identifying the number of shares with respect to which the authorization is granted.

How to Change a Vote or Revoke a Proxy

Shareholders who hold Valley Forge shares in their own names can change their votes at any time before their proxy is voted at the annual meeting. A shareholder can do this using any of the following methods:

timely delivery by mail of a valid, subsequently-dated proxy;

delivery to Valley Forge's Secretary before or at the annual meeting of written notice revoking the shareholder's proxy or of written notice of his or her intention to vote by ballot at the annual meeting; or

submitting a vote by ballot at the annual meeting.

If a shareholder has instructed a street name holder to vote the shareholder's shares, he or she must follow the street name holder's directions in order to change those instructions.

Voting Agreement

As of May 2, 2005, certain of the Valley Forge directors, executive officers and greater than 5% shareholders holding as a group 2,694,893 shares of Valley Forge common stock, approximately 34% of the total outstanding shares of Valley Forge common stock entitled to vote, have agreed to vote all of their shares of Valley Forge common stock in favor of proposals one through four. For more information, see the section of this joint proxy statement/prospectus entitled "TERMS OF THE MERGER AGREEMENT - The Voting Agreements; Shareholders' Agreement" beginning on page 74.

Solicitation of Proxies and Expenses Associated Therewith

Valley Forge is soliciting proxies for the Valley Forge annual meeting from the holders of Valley Forge common stock as of the record date. Valley Forge will bear the entire cost of soliciting proxies from Valley Forge shareholders, except that Valley Forge and Synergetics have each agreed to share equally all expenses incurred in connection with the filing with the SEC of the registration statement of which this joint proxy statement/prospectus forms a part and the printing and mailing of this joint proxy statement/prospectus and related proxy materials. In addition, Valley Forge will reimburse street name holders for reasonable expenses they will incur in forwarding proxy materials to beneficial owners of Valley Forge common stock held in street name. Valley Forge may also use several of its regular employees, who will not be specially compensated, to solicit proxies from Valley Forge shareholders, either personally or by telephone, Internet, telegram, facsimile or special delivery letter.

Valley Forge's 2004 Annual Report, including Valley Forge's audited financial statements for the fiscal year ended September 30, 2004, is being mailed to Valley Forge shareholders concurrently with this joint proxy statement/prospectus.

Recommendation of the Valley Forge Board of Directors

After careful consideration, based upon the recommendation of its committee of independent directors, the board of directors of Valley Forge approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. Valley Forge's board of directors has determined that the merger is fair and advisable and in the best interests of Valley Forge and its shareholders and recommends that its shareholders vote in the following manner:

FOR the proposal to approve the issuance of 15,973,912 shares of Valley Forge common stock to Synergetics shareholders in connection with the merger of Synergetics with Synergetics Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Valley Forge (MergerSub), pursuant to the Agreement and Plan of Merger, dated May 2, 2005, as amended by Amendment No. 1 to Agreement and Plan of Merger dated June 2, 2005, by and among Valley Forge, MergerSub and Synergetics;

FOR the proposal to amend and restate the articles of incorporation of Valley Forge to:

(i) increase the number of authorized shares of Valley Forge common stock from 20,000,000 shares to 50,000,000 shares;

(ii) increase the number of directors on the Valley Forge board of directors to seven; and

(iii) divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms;

FOR the proposal to approve the reincorporation of Valley Forge under the laws of the State of Delaware through a merger of Valley Forge with VFSC Delaware, Inc., a wholly-owned subsidiary of Valley Forge;

FOR the proposal to elect seven director nominees to the Valley Forge board of directors to serve until their respective successors are elected and qualified, or until the earlier of their death, resignation or removal;

FOR the proposal to amend the Valley Forge stock plan to increase the number of shares issuable upon the exercise of options granted under the Valley Forge stock plan from 345,000 shares to 1,345,000 shares;

FOR the proposal to adopt the Valley Forge directors plan to authorize the issuance of up to 200,000 shares of Valley Forge common stock issuable upon exercise of options granted under the Valley Forge directors plan; and

FOR the proposal to grant discretionary authority to the Valley Forge board of directors to adjourn or postpone the annual meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposals submitted herein.

For more information on these recommendations, see the sections of this joint proxy statement/ prospectus entitled THE MERGER Joint Reasons for the Merger and THE MERGER Additional Valley Forge Reasons for the Merger beginning on pages 46 and 47, respectively.

Assistance

If a Valley Forge shareholder needs assistance in completing his or her proxy card or has questions regarding the Valley Forge annual meeting, please contact Valley Forge Investor Relations at (610) 666-7500 or write to Valley Forge Scientific Corp., 136 Green Tree Road, Oaks, Pennsylvania 19456, Attn: Investor Relations.

THE SYNERGETICS SPECIAL MEETING

Synergetics is sending this joint proxy statement/ prospectus to the shareholders of Synergetics to provide important information in connection with the solicitation of proxies by the Synergetics board of directors for use at the special meeting of Synergetics shareholders and at any adjournment or postponement of the special meeting. This joint proxy statement/ prospectus is being mailed to Synergetics shareholders on or about [], 2005.

Date, Time and Place of the Synergetics Special Meeting

The special meeting will be held at [], Central Standard Time, on [], 2005, at [].

Purpose of the Special Meeting

At the special meeting, Synergetics shareholders will be asked to consider and vote upon the following:

1. A proposal to approve the Agreement and Plan of Merger, dated May 2, 2005, as amended by Amendment No. 1 to Agreement and Plan of Merger dated June 2, 2005, by and among Valley Forge, Synergetics Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of Valley Forge (MergerSub), and Synergetics and the merger of MergerSub with and into Synergetics. As a result of the merger, Synergetics will become a wholly-owned subsidiary of Valley Forge;
2. A proposal to grant discretionary authority to the Synergetics board of directors to adjourn or postpone the special meeting to a later date, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the proposal to approve the merger agreement and the merger contemplated therein; and
3. Any other business as may properly come before the special meeting and any adjournment or postponement of the special meeting.

Record Date

The Synergetics board has fixed the close of business on [], 2005 as the record date for determining the Synergetics shareholders entitled to vote at the special meeting. Only holders of record of Synergetics common stock as of the close of business on that date are entitled to vote at the special meeting.

Synergetics has one class of common stock outstanding, par value \$0.01²/₃ per share. As of the record date, there were [] shares of Synergetics common stock issued and outstanding, constituting all of Synergetics outstanding voting stock. Each share of Synergetics common stock issued and outstanding as of the record date entitles its holder to cast one vote at the special meeting.

Admission to the Special Meeting

Only Synergetics shareholders of record on the record date, their designated proxies and guests of Synergetics may attend the Synergetics special meeting. Shareholders attending the meeting will be given a ballot at the meeting. Please note, however, that if the shares are held in street name, which means that the shares are held by a bank, broker or other nominee (street name holder), and the shareholder wishes to vote at the special meeting, the shareholder must follow the instructions discussed in the section below entitled *Voting Shares in Person that are Held Through Street Name Holders*.

Quorum

To conduct business at the special meeting, a quorum must be present. The holders of a majority of the shares of Synergetics common stock issued and outstanding and entitled to vote at the special meeting constitute a quorum. Holders of shares of common stock present in person or represented by proxy (including holders of shares who abstain or do not vote with respect to one or more of the matters presented for shareholder approval) will be counted for purposes of determining whether a quorum exists

at the special meeting. If a quorum is not present at the special meeting, the special meeting may be adjourned or postponed to solicit additional proxies.

Vote Required

The affirmative vote of the holders of two-thirds of the issued and outstanding shares of Synergetics common stock is required to approve proposal one (relating to the approval of the merger agreement and the merger contemplated therein). The consummation of the merger is contingent upon approval of proposal one.

The affirmative vote of the holders of a majority of the shares of Synergetics common stock entitled to vote and represented at the special meeting, in person or by proxy, is required to approve proposal two (relating to the grant of discretionary authority to the Synergetics board to adjourn or postpone the special meeting to a later date, if necessary).

Voting of Shares

General. Shares may be voted at the special meeting by voting in person at the special meeting or by submitting a proxy in the manner described below. To vote by proxy, Synergetics shareholders must complete and mail to Synergetics the enclosed proxy card in the enclosed envelope. Shares represented by a properly executed and dated proxy will be voted at the special meeting in accordance with the instructions indicated on the proxy. Proxies that are properly executed and dated but which do not contain voting instructions will be voted **FOR** each of the proposals. The proxy holder may vote the proxy in its discretion as to any other matter which may properly come before the meeting.

Abstentions. The shares represented by a properly executed proxy marked **ABSTAIN** as to a particular proposal will not be voted with respect to that proposal at the special meeting. If a Synergetics shareholder submits a proxy and affirmatively elects to abstain from voting, the proxy will be counted as present for purposes of determining the presence of a quorum and will have the same effect as a vote **AGAINST** each of proposal one and proposal two.

Broker Non-Votes. If a shareholder's shares of Synergetics common stock are held in street name, the street name holder will only vote the shares for the shareholder if he or she provides the street name holder with instructions on how to vote the shares. The street name holder cannot vote a shareholder's shares without specific instructions from the shareholder. Because the affirmative vote of two-thirds of the outstanding shares of Synergetics common stock is required to pass proposal one (relating to the approval of the merger agreement and the merger contemplated therein), if a Synergetics shareholder does not instruct his or her street name holder how to vote, it will have the effect of a vote

AGAINST proposal one. Because the affirmative vote of a majority of the shares entitled to vote and represented in person or by proxy at the special meeting is required to pass proposal two (relating to the grant of discretionary authority to the Synergetics board to adjourn or postpone the special meeting to a later date, if necessary), if a shareholder does not instruct his or her street name holder how to vote, it will have no effect on the votes related to proposal two.

Voting Shares in Person that are Held Through Street Name Holders. If a Synergetics shareholder's shares are held by a street name holder and he or she wishes to vote those shares in person at the special meeting, he or she must obtain from the street name holder a properly executed legal proxy identifying the shareholder as a Synergetics shareholder, authorizing the shareholder to act on behalf of the street name holder at the special meeting and identifying the number of shares with respect to which the authorization is granted.

Please do not send any Synergetics stock certificates with proxy cards or voting instruction forms. If the merger agreement is approved and the merger is consummated, Synergetics shareholders will receive a letter of transmittal with instructions for surrendering their certificates representing shares of Synergetics common stock.

How to Change a Vote or Revoke a Proxy

Shareholders who hold Synergetics shares in their own names can change their votes at any time before their proxy is voted at the special meeting. A shareholder can do this using any of the following methods:

(i) timely delivery by mail of a valid, subsequently-dated proxy;

(ii) delivery to Synergetics Secretary before or at the special meeting of written notice revoking the shareholder's proxy or of written notice of his or her intention to vote by ballot at the special meeting; or

(iii) submitting a vote by ballot at the special meeting.

If a shareholder has instructed a street name holder to vote the shareholder's shares, he or she must follow the street name holder's directions in order to change those instructions.

Voting Agreement

As of May 2, 2005, Synergetics directors and certain of their affiliates, holding as a group 650,088 shares of Synergetics common stock, approximately 19% of the total outstanding shares of Synergetics common stock entitled to vote, have agreed to vote all of their shares of Synergetics common stock in favor of the proposal to approve the merger agreement and the merger contemplated therein. In connection with this agreement, they have executed and delivered to Valley Forge proxies to vote their shares in favor of the merger proposal. For more information, see the section of this joint proxy statement/prospectus entitled **TERMS OF THE MERGER AGREEMENT - The Voting Agreements; Shareholders' Agreement** beginning on page 74.

Solicitation of Proxies and Expenses Associated Therewith

Synergetics is soliciting proxies for the Synergetics special meeting from the holders of Synergetics common stock as of the record date. Synergetics will bear the entire cost of soliciting proxies from Synergetics shareholders, except that Valley Forge and Synergetics have each agreed to share equally all expenses incurred in connection with the filing with the SEC of the registration statement of which this joint proxy statement/prospectus forms a part and the printing and mailing of this joint proxy statement/prospectus and related proxy materials. In addition, Synergetics will reimburse street name holders for reasonable expenses they will incur in forwarding proxy materials to beneficial owners of Synergetics common stock held in street name. Synergetics may also use several of its regular employees, who will not be specially compensated, to solicit proxies from Synergetics shareholders, either personally or by telephone, Internet, telegram, facsimile or special delivery letter.

Recommendation of the Synergetics Board of Directors

After careful consideration, the board of directors of Synergetics approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. Synergetics board of directors has determined that the merger is fair and advisable and in the best interests of Synergetics and its shareholders and recommends that its shareholders vote **FOR** each of proposal one (relating to the approval of the merger agreement and the merger contemplated therein) and proposal two (relating to the grant of discretionary authority to the Synergetics board to adjourn or postpone the special meeting to a later date, if necessary). For more information on these recommendations, see the sections of this joint proxy statement/prospectus entitled **THE MERGER - Joint Reasons for the Merger** and **THE MERGER - Additional Synergetics Reasons for the Merger** beginning on pages 46 and 53, respectively.

Assistance

If a Synergetics shareholder needs assistance in completing his or her proxy card or has questions regarding the Synergetics special meeting, please call Pamela G. Boone, Chief Financial Officer of Synergetics, at (636) 939-5100 or write to Synergetics, Inc. at 3845 Corporate Centre Drive, St. Charles, Missouri 63304.

**VALLEY FORGE PROPOSAL 1 AND SYNERGETICS PROPOSAL 1
(THE MERGER)**

**VALLEY FORGE
PROPOSAL 1
APPROVAL OF THE ISSUANCE OF SHARES
OF VALLEY FORGE COMMON STOCK
IN THE MERGER**

**SYNERGETICS
PROPOSAL 1
APPROVAL OF THE MERGER
AGREEMENT
AND THE MERGER**

THE MERGER

This section of the joint proxy statement/ prospectus describes material aspects of the proposed merger. While we believe that the description covers the material terms of the merger, this summary may not contain all of the information that is important to you. You should read this entire document including the appendices for a more complete understanding of the merger.

Background of the Merger

Before first contacting Valley Forge regarding a potential combination, Synergetics considered several possible candidates, including Valley Forge, that would present a strategic fit with Synergetics existing neurosurgery product offerings.

At the request of Synergetics management, in late June 2003, Dr. Robert Spetzler, a shareholder of Synergetics, wrote to Dr. Leonard I. Malis, a Valley Forge director, to discuss the possibility of a strategic combination between Synergetics and Valley Forge.

On July 10, 2003, Valley Forge and Synergetics entered into a Confidentiality and Nondisclosure Agreement.

On July 10-11, 2003, Robert H. Dick, an independent director of Valley Forge, met at Synergetics headquarters with Synergetics management, consisting of Gregg D. Scheller, President and Chief Executive Officer, Kurt W. Gampp, Jr., Chief Operating Officer, and William Bates, Special Projects Manager, to discuss each company's interest in a potential business combination and to gain an understanding of each company's business.

On July 22-23, 2003, Jerry L. Malis, Chairman of the Board, Chief Executive Officer and President of Valley Forge, along with Mr. Dick, met with Messrs. Scheller, Gampp and Bates of Synergetics at Synergetics headquarters to discuss certain merger considerations, including reporting obligations and corporate governance matters, and to further examine each company's business structure.

On September 3-4, 2003, Mr. Dick of Valley Forge met with several Synergetics managers, including Messrs. Scheller and Bates, together with Synergetics counsel. They continued to analyze the advantages and disadvantages of entering into a business combination, along with discussing Valley Forge's valuation model and Synergetics earnings projections.

On September 25-26, 2003, Messrs. Malis and Dick met with Mr. Bates at Valley Forge's headquarters to review and discuss the updated valuation model of Valley Forge along with the initial valuation model of Synergetics.

Following these meetings with Synergetics, the Valley Forge board of directors determined that it was in the best interest of the Valley Forge shareholders to examine alternative transactions to enhance the shareholder value of the company.

On September 30, 2003, following conversations with a representative of a potential acquisition partner (Company A), Valley Forge sent a copy of its strategic plan to Company A for use in examining a possible acquisition of Valley Forge. The management of Company A and Valley Forge had several conversations discussing the potential of such an acquisition.

On October 20-21, 2003, Mr. Scheller met with Mr. Malis at the Congress of Neurosurgery (CNS) meeting in Denver, Colorado and had general discussions regarding the valuation models of the two companies.

In early November 2003, Mr. Scheller sent a letter to Mr. Malis in which he outlined various proposals for entering into a business combination.

On November 11, 2003, Mr. Malis responded to Mr. Scheller's correspondence and requested that Synergetics provide Valley Forge with certain financial and other information pertaining to Synergetics.

In November 2003, following the exchange of correspondence, representatives of both Valley Forge and Synergetics exchanged extensive information with each other regarding the companies, their products and their financial results.

On December 2, 2003, Valley Forge counsel provided Synergetics and its counsel with certain corporate documents, information regarding Valley Forge incentive stock plans, leases and copies of agreements with a key customer.

On December 2-4, 2003, Synergetics sent a due diligence team to the offices of Valley Forge to review documents and records, and observe business processes and operations. They met with various senior managers of Valley Forge and inspected manufacturing areas, records and inventory.

Following the December 2, 2003 site visit, Valley Forge's counsel exchanged due diligence materials with Synergetics and its counsel regarding prior audits, real estate matters, material contracts, royalty agreements and long-term debt.

On February 16-18, 2004, Messrs. Malis and Dick of Valley Forge met with Company A representatives at its headquarters. The purpose of the meeting was to discuss Valley Forge's strategic plan and the potential benefits of a business combination. As a result of the meeting, Company A agreed to continue internally assessing whether it was prepared to enter into such a combination with Valley Forge.

On February 23-24, 2004, Michael Ritchie of Valley Forge visited Synergetics to conduct financial due diligence and assess the compatibility of the financial and manufacturing systems of the two companies.

On March 15, 2004, counsel for Valley Forge and Synergetics continued discussions regarding review of progress in the negotiations to acquire the Malis® trademark from Leonard I. Malis, a director of Valley Forge and the brother of Jerry L. Malis, President and Chief Executive Officer of Valley Forge.

On May 3, 2004, Messrs. Malis and Dick of Valley Forge met with management of Company A during the annual American Association of Neurosurgeons (AANS) meeting in Orlando, Florida. They continued discussions on the potential for a business combination. However, Company A concluded that it was unable to complete a neurosurgery-focused acquisition at that time.

On May 4, 2004, Messrs. Malis and Dick of Valley Forge met with Messrs. Scheller and Bates of Synergetics at the AANS meeting in Orlando, Florida. The purpose of the meeting was to review the progress of the negotiations to acquire the Malis® trademark from Leonard I. Malis, a director of Valley Forge and the brother of Jerry L. Malis, CEO and President of Valley Forge, and discuss the next steps regarding a possible merger.

In mid-May 2004, Bruce A. Murray and Lou Uchitel, directors of Valley Forge visited Synergetics to conduct due diligence on financial controls, manufacturing operations, sales and marketing, and product development. They met with various senior managers of Synergetics and inspected manufacturing areas, records and inventory.

In May 2004, Valley Forge engaged the law firm Fox Rothschild LLP as special counsel to assist in connection with the merger discussions.

Between May 2004 and July 2004, Mr. Murray of Valley Forge and Mr. Bates of Synergetics exchanged extensive information regarding the companies, their products and their operations. These

exchanges included due diligence in several areas, including financial management, sales and sales projections, product details and future plans. They also discussed general terms and conditions of a possible merger agreement. During these months, Valley Forge continued negotiations of an option agreement with Dr. Malis that would allow Valley Forge to acquire the rights to the Malis® trademark in the event that Valley Forge merged with another company.

On July 16, 2004, Valley Forge provided Synergetics with a written summary of the terms of a proposed option agreement with Dr. Malis that would allow Valley Forge to acquire the rights to the Malis® trademark in the event that Valley Forge merged with another company.

In July 2004, Messrs. Murray and Malis met with Messrs. Scheller, Gampp and Bates at the Synergetics facility to outline certain business conditions of a possible merger. During the months following this meeting, Mr. Murray and Mr. Bates continued to discuss strategies for blending the business interests of Valley Forge and Synergetics. They also began to outline specific contract terms of the merger agreement.

In July 2004, Mr. Scheller provided the individual members of the Synergetics board of directors with updates regarding the status of the Valley Forge discussions.

In August 2004, Messrs. Murray and Malis met with management of a second potential acquisition partner (Company B) to discuss a potential business combination. At this meeting, the parties entered into preliminary discussions regarding a possible acquisition of Valley Forge by Company B.

On August 10, 2004, Mr. Scheller of Synergetics and Messrs. Malis and Murray of Valley Forge conducted a conference call regarding the status of Valley Forge's existing distribution agreement with Codman. Mr. Scheller requested an update on the progress of the negotiations to acquire the Malis® trademark from Dr. Malis. They also discussed general terms and conditions of a possible merger agreement, including the composition of the new board of directors, certain supermajority provisions, the organizational structure of the combined companies, and product integration and distribution methods.

In September 2004, Company B sent a due diligence team to the offices of Schenkman, Jennings & Howard, LLC, counsel to Valley Forge, to review documents and records related to Valley Forge's intellectual property, leases, distribution contracts and other business records.

In October 2004, Valley Forge entered into an option agreement granting Valley Forge the option to acquire the Malis® trademark from Dr. Malis.

Also in October 2004, Messrs. Murray and Malis met with Messrs. Scheller and Bates during the CNS meeting in San Francisco to discuss business terms of a potential merger agreement.

Also in October 2004, management of a third potential acquirer (Company C) expressed interest in acquiring Valley Forge.

In November 2004, management of Company C visited Valley Forge's facilities and reviewed documents relating to Valley Forge's intellectual property at the offices Schenkman, Jennings & Howard, LLC, counsel to Valley Forge.

On November 15-16, Mr. Bates met with Mr. Murray in Mr. Murray's home in Florida to review the status of the merger negotiations, focusing primarily on the relative valuation of the two companies.

In December 2004, Mr. Malis and Valley Forge's counsel met with management of Company C regarding a potential acquisition of Valley Forge. After the meeting, Valley Forge provided the company with Valley Forge's internal financial projections. A follow-up meeting was held in January 2005 among Mr. Malis, Valley Forge's counsel and management of Company C.

On December 7-8, 2004, Messrs. Murray and Malis, together with Valley Forge's counsel, met with Messrs. Scheller, Bates and Synergetics' counsel in St. Louis, Missouri to negotiate contract terms of a merger agreement. Following this meeting, Mr. Murray remained for one additional day to discuss other business matters with Synergetics' management, including the composition of the new board of directors

and its committees, the organizational structure of the combined companies, and product integration and distribution methods.

Following the December 2004 meeting, Messrs. Murray and Bates had extensive discussions regarding the new Valley Forge sales and expense projections and the new Synergetics sales and expense projections approved by Mr. Scheller.

In January 2005, Mr. Murray met with Mr. Scheller and members of the Synergetics marketing and sales staff in Jensen Beach, Florida. During the meeting, Synergetics presented a comprehensive current and historical sales analysis along with a comprehensive future sales and marketing plan. The parties discussed how Valley Forge's products could be integrated into the Synergetics sales and marketing plan.

On January 25, 2005, the Valley Forge board of directors formed an independent committee consisting of Messrs. Dick and Uchitel to review the potential business combination proposals and to engage outside professionals, including investment bankers, to assist in their review.

In February 2005, Mr. Murray met with Company B's management at Company B's headquarters to assess its interest in acquiring Valley Forge. The parties could not agree on an appropriate value for Valley Forge, but agreed to continue discussions on the potential acquisition. Valley Forge and Company B continued to discuss a potential acquisition until late March 2005, when Company B informed Valley Forge that it would not make an offer to purchase Valley Forge.

On February 11, 2005, the Valley Forge board of directors held a joint meeting with the independent committee to discuss all possible business combinations with all potential suitors. A special negotiating committee, consisting of Messrs. Malis and Murray, was appointed to hold discussions with potential business combination candidates. In addition, Valley Forge's special counsel was authorized to contact Synergetics' counsel to discuss legal matters regarding the proposed merger.

Also in February 2005, Company A continued discussions regarding a potential business combination with Valley Forge. Messrs. Malis, Dick and Murray then had telephone conferences with representatives of Company A. Valley Forge also provided Company A with updated internal forecasts in connection with these discussions.

On February 15, 2005, the Valley Forge board of directors held a joint meeting with the independent committee to examine all potential business combinations. The board noted that Company C required a lock-up agreement in order to commence its due diligence review. This proposed agreement would prohibit the board from negotiating with other parties for a limited period of time. The board did not believe that this restriction would be in the best interests of its shareholders. Accordingly, after discussion, the board authorized Mr. Malis to inform Company C that Valley Forge would not enter into a lock-up agreement. However, Company C was invited to commence their due diligence review nonetheless. Without the lock-up agreement, Company C declined to conduct a due diligence review.

On February 22, 2005, Mr. Scheller provided the individual members of the Synergetics board of directors with information regarding the status of the Valley Forge discussions.

On March 15, 2005, the Valley Forge board of directors again held a joint meeting with the independent committee to examine the status of potential combinations and suitors. The board also examined the proposed merger agreement with Synergetics and authorized counsel to discuss the terms with Synergetics' counsel.

In late March 2005, Company A reiterated that it was unable to pursue the acquisition at this time.

On March 23, 2005, the counsel and auditors of both companies met via conference call to discuss reporting and audit timelines for the proposed merger agreement.

On April 8, 2005, the Valley Forge board of directors held a joint meeting with the independent committee to discuss obtaining a fairness opinion for the potential combination with Synergetics, along with reviewing and discussing the comments provided by Synergetics' counsel regarding the proposed merger agreement and voting agreements.

In mid-April 2005, while attending the CNS meeting in New Orleans, Messrs. Murray and Malis met with Messrs. Scheller and Bates, along with Mr. Gampp and the counsel of both companies via telephone, to discuss the merger and finalize the remaining items in the merger agreement.

On April 18, 2005, the Valley Forge board of directors held a joint meeting with the independent committee to review the draft merger agreement and to discuss Mr. Murray's discussions with Mr. Bates of Synergetics regarding merger-related issues. Also, the board examined all outstanding due diligence issues. Further, the board reviewed the proposed terms of an employment agreement between New Synergetics and Mr. Malis.

On April 20, 2005, the Valley Forge board of directors held a joint meeting with the independent committee to review the proposed employment agreement for Mr. Malis and the proposed voting agreements for certain shareholders of each company. The board also discussed the need to appoint a new independent director and explored possible candidates and procedures.

On April 23, 2005, Mr. Scheller sent a letter to Mr. Malis in which he outlined the remaining open issues to be addressed before the merger agreement could be signed. Also, the letter discussed the culture of both Valley Forge and Synergetics and emphasized the need to address the open issues and move forward with the merger. Mr. Murray responded in writing to Mr. Scheller's letter and addressed many of the open issues.

On April 26, 2005, the Valley Forge board of directors held a joint meeting with the independent committee to discuss recent progress made on the merger agreement, the progress of the fairness opinion, the open issues with the employment agreement for Mr. Malis, post-merger issues, and the process and procedures involved in filing a registration statement on Form S-4 with the SEC.

On April 27, 2005, the Valley Forge board of directors again held a joint meeting with the independent committee to discuss the updated terms of the merger agreement along with remaining issues of the employment agreement for Mr. Malis.

On April 28, 2005, the Valley Forge board of directors held a joint meeting with the independent committee in which they reviewed and discussed the most recent draft of the merger agreement and were informed that Wildwood Capital LLC would be engaged to deliver an opinion with respect to the fairness of the merger consideration. The board and independent committee approved the draft merger agreement and authorized Valley Forge management to execute the merger agreement and related documents on behalf of Valley Forge, subject to such further changes as Valley Forge's management considered advisable. The Wildwood Capital fairness opinion was delivered on May 31, 2005.

On April 30, 2005, the Synergetics board of directors approved the draft merger agreement and authorized Synergetics' management to execute the merger agreement and related documents on behalf of Synergetics, subject to such further changes as Synergetics' management considered advisable. The board directed the president of the corporation to present the merger agreement between Synergetics and Valley Forge to all of the shareholders of Synergetics for their vote at a special meeting of shareholders to consider approval of the transaction on a date to be announced following completion of initial regulatory filings.

On May 2, 2005, Valley Forge, MergerSub and Synergetics executed the merger agreement and the related agreements.

On May 3, 2005, the parties publicly announced the proposed merger.

Joint Reasons for the Merger

The boards of directors of Valley Forge and Synergetics believe that by combining the complementary, non-overlapping product lines and distribution networks of the two companies, New Synergetics can generate improved long-term operating and financial results and establish a stronger competitive position in the industry. The boards further believe that the combination of Synergetics' unique capabilities in design and manufacture of microsurgical hand instruments and Valley Forge's unique

capabilities in bipolar electrosurgical generators and other electronic devices will provide New Synergetics with the ability to broaden the markets for products of both entities and increase the penetration in existing markets.

Each of the boards of directors of Valley Forge and Synergetics has identified additional potential mutual benefits of the merger that they believe will contribute to the success of New Synergetics. These potential benefits include principally the following:

the merger's resultant combined technologies, including technology bases in power generation, electronics, bipolar delivery systems, waveform technology, finely machined hand tools, illumination systems and lasers, will open access to applications in other surgical and microsurgical fields;

the combination of our research and development teams will provide a greater depth of experience, knowledge and resources and lessen our dependence on outside sources;

the creation of a larger sales and service organization worldwide, the expansion of the companies' dedicated sales teams and a higher profile with customers, presenting greater opportunities for marketing the products of New Synergetics;

the combined experience, financial resources, development expertise, size and breadth of product offerings of New Synergetics may allow it to respond more quickly and effectively to technological changes, increased consolidation and industry demands;

the creation of a combined customer service and technical support system may permit New Synergetics to provide more effective support coverage to its customers and make it more attractive to new customers; and

New Synergetics is expected to have greater prominence within the financial community providing increased access to capital.

Valley Forge and Synergetics have each identified additional reasons for the merger, which are discussed below.

Additional Valley Forge Reasons for the Merger

In addition to the reasons described above, the Valley Forge board of directors believes that the following are additional reasons the merger will be beneficial to Valley Forge and its shareholders:

the merger will allow New Synergetics to distribute the Valley Forge products directly to end users through the existing Synergetics' sales channels, including the existing Synergetics' direct sales force;

the technological capabilities of Synergetics will allow the design and manufacture of unique microsurgical hand instruments not presently developed by Valley Forge, providing additional product and market opportunities;

given the complementary, non-overlapping nature of the product lines of Valley Forge and Synergetics, the merger will enhance Valley Forge's ability to achieve greater scale and presence in the medical device industry;

Synergetics' recognized presence in certain medical specialties other than neurosurgery will enhance and facilitate Valley Forge's ability to capitalize on the capabilities of its newly emerging bipolar electrosurgical generator products and associated disposable handpieces, as well as other medical electronic devices and associated accessories;

combining with Synergetics will create a broader, more diversified management structure with more highly specialized personnel that will enhance Valley Forge's management capability and provide a path of management succession in the future;

combining with Synergetics will provide an opportunity for increased sales by offering a more integrated and broader product line; and

the Valley Forge shareholders will have the opportunity to participate in the potential for growth of New Synergetics after the merger.

The Valley Forge board of directors believes there are substantial benefits to Valley Forge and the Valley Forge shareholders that can be obtained as a result of the merger. If the merger is completed, the Valley Forge board of directors believes that New Synergetics will be a leader in both the retina surgery and neurosurgery markets, as well as other microsurgery markets. At a meeting held on April 28, 2005, based upon the recommendation of its committee of independent directors, the Valley Forge board of directors determined that the merger and the other transactions contemplated by the merger agreement, including the issuance of shares of Valley Forge common stock in the merger, are advisable and in the best interests of Valley Forge and the Valley Forge shareholders. Therefore, the Valley Forge board of directors resolved to recommend that the Valley Forge shareholders approve the issuance of shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement.

In reaching its decision, the Valley Forge board and its committee of independent directors consulted with senior management and Wildwood Capital with respect to the valuation of the merger transaction and the fairness of the consideration to be paid in the merger transaction as well as more conceptual issues and advantages of the proposed merger as compared to other alternatives such as acquisitions of or by other companies. The Valley Forge board considered a number of factors in reaching its decision, without assigning any specific or relative weight to those factors. The material factors considered include:

information concerning the businesses, earnings, operations, competitive position and future business prospects of Valley Forge and Synergetics, both individually and as combined;

the belief that by combining complementary operations, the combined company would have better opportunities for future growth than Valley Forge would have on its own;

the current and prospective economic and competitive environments facing Valley Forge as a stand-alone company;

the belief that the merger would provide Valley Forge with the management, technical and financial resources to grow more quickly;

the opportunity for Valley Forge's shareholders to participate in a larger, more diversified organization and to benefit from the potential appreciation in the value of Valley Forge's common stock; and

the likely impact of the merger on Valley Forge's employees and customers.

The Valley Forge board also considered a number of risks and potentially negative factors in its deliberations concerning the merger, including the risk factors described in the section entitled "RISK FACTORS" beginning on page 23, and the following:

the risk that the merger would not be completed in a timely manner or at all;

the fact that Valley Forge's shareholders will not receive the full benefit of any future growth in the value of their equity that Valley Forge may have achieved as an independent company;

the potential disadvantage to Valley Forge's shareholders in the event New Synergetics does not perform as well in the future as Valley Forge may have performed as an independent company;

the possibility that certain provisions of the merger agreement, and the fact that certain directors, executive officers and greater than 5% shareholders of Valley Forge owning in the aggregate approximately 34% of all the

outstanding capital stock of Valley Forge executed a voting agreement with Synergetics would likely have the effect of discouraging other persons potentially interested in merging with or acquiring Valley Forge from pursuing such an opportunity;

the risk that the potential benefits of the merger may not be realized;

the challenge of integrating the businesses and operations of Valley Forge and Synergetics and the substantial management time and effort and the substantial costs required to complete the integration following the merger; and

the risk of management and employee disruption associated with the merger, including the risk that key technical and management personnel may decide not to continue employment with the combined company.

The board of directors of Valley Forge and its independent committee of directors concluded that these potentially negative factors were outweighed by the potential benefits of the merger.

The above discussion of information and factors considered by the Valley Forge board of directors and its independent committee of directors is not intended to be exhaustive, but is believed to include all material factors considered by the board and the committee. In view of the wide variety of factors considered by the board and the committee, neither the board nor the committee found it practicable to quantify or otherwise assign relative weight to the specific factors considered. In addition, neither the board nor the committee made any specific conclusions on each factor considered, but, rather, the board and the committee conducted an overall analysis of these factors. Individual members of the board or the committee may have given different weight to different factors.

The board of directors of Valley Forge and its independent committee of directors determined that the merger is preferable to the other alternatives which might be available to Valley Forge, such as remaining independent and growing internally and through future acquisitions or financings, or engaging in a transaction with another party. The Valley Forge board and the committee made that determination because they believe that the merger will unite two companies with complementary business strengths, technologies and operating philosophies, thereby creating a combined company with greater size, flexibility, efficiencies, capital strength and profitability potential than Valley Forge possesses on a stand-alone basis or that Valley Forge might be able to achieve through other alternatives.

FOR THE REASONS SET FORTH ABOVE, THE BOARD OF DIRECTORS OF VALLEY FORGE RECOMMENDS THAT HOLDERS OF VALLEY FORGE COMMON STOCK VOTE FOR THE PROPOSAL TO APPROVE THE ISSUANCE OF SHARES OF VALLEY FORGE COMMON STOCK TO SYNERGETICS SHAREHOLDERS AS CONTEMPLATED BY THE MERGER AGREEMENT.

Opinion of Valley Forge Financial Advisor

Valley Forge retained Wildwood Capital LLC to render an opinion regarding the fairness, from a financial point of view, of the merger consideration to the shareholders of Valley Forge.

Wildwood Capital is a recognized investment banking firm with substantial experience in the healthcare industry. Wildwood Capital has not performed investment banking services for or had any other material relationship with Valley Forge or Synergetics in the past two years nor is any material relationship presently contemplated.

On May 26, 2005, Wildwood Capital delivered its written opinion to the independent committee of the Valley Forge board of directors, stating that, based upon and subject to the considerations and assumptions contained in the opinion, the merger consideration to be paid to Valley Forge's shareholders pursuant to the merger transaction is fair from a financial point of view to the Valley Forge shareholders. The amount of consideration to be paid in the merger was determined by negotiation between Valley Forge and Synergetics.

The full text of the written opinion of Wildwood Capital, dated May 26, 2005, which sets forth the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Wildwood Capital in rendering its opinion, is attached hereto as Annex E and is incorporated by reference. This summary of the opinion is qualified in its entirety by reference to the full

text of the opinion. The opinion of Wildwood Capital was provided for the information of the independent committee of the Valley Forge board of directors and is not a recommendation as to how any holder of Valley Forge common stock should vote with respect to the merger. The opinion addresses only the fairness from a financial point of view of the value received by the Valley Forge shareholders pursuant to the transaction, and does not address any other aspects of the merger. Valley Forge's shareholders should read carefully the opinion in its entirety.

Strictly in the context of arriving at its opinion, Wildwood Capital:

reviewed the historical operating performance and financial strength of Valley Forge;

reviewed the historical operating performance and financial strength of Synergetics;

reviewed for reasonableness management projections for Valley Forge provided to Wildwood Capital by Valley Forge management;

reviewed for reasonableness management projections for Synergetics provided to Wildwood Capital by Synergetics management;

reviewed the historical market prices and trading history of Valley Forge common stock;

compared the market prices and trading history of the stock of Valley Forge with companies of equivalent sizes within the same market sector;

reviewed the transaction structure with respect to any potential conflict of interest regarding employment contracts and the continued services of the Valley Forge directors as directors of the combined company;

visited Valley Forge's corporate headquarters and conducted interviews with senior managers;

visited Synergetics' corporate headquarters and production facility and conducted interviews with senior managers;

reviewed certain Valley Forge SEC filings, including the Valley Forge annual report on Form 10-K for the period ending September 30, 2004 and all subsequent quarterly reports on Form 10-Q and current reports on Form 8-K;

reviewed the exclusive distribution agreement among Mutoh America, Co., LTD, Miwatec Co. LTD and Synergetics;

reviewed the supply and distribution agreement dated October 25, 2004 between Valley Forge and Stryker Instruments Division of Stryker Corporation;

reviewed the agreement between Valley Forge and Codman dated October 1, 2004 and its subsequent amendment dated March 1, 2005; and

reviewed the market for comparable transactions within the past year with similar sized companies in the Valley Forge market segment.

In addition, Wildwood Capital reviewed the following documents taking into account such issues as potential conflicts of interest:

the merger agreement;

the shareholders' agreement;

the Valley Forge voting agreement;

the Synergetics voting agreement;

the form of employment agreement for Jerry L. Malis; and

the option agreement between Valley Forge and Dr. Malis, together with the related form of promissory note and security agreement.

Wildwood Capital also discussed the past and current operations and financial condition and the prospects of Valley Forge, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of Valley Forge. In addition, Wildwood Capital compared the financial performance of Valley Forge with that of certain other publicly-traded medical device companies and their securities. Wildwood Capital also performed other analyses and considered other factors it deemed appropriate.

For the purposes of rendering its opinion, Wildwood Capital assumed and relied upon without independent verification the accuracy and completeness of the information supplied or otherwise made available to it by Valley Forge and Synergetics. With respect to financial forecasts, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Wildwood Capital assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of Valley Forge. Wildwood Capital also assumed that the merger would be consummated in accordance with the terms of the merger agreement, including, among other things, that the merger would be treated as a tax-free reorganization pursuant to the Code.

Wildwood Capital did not make any independent valuation or appraisal of the assets or liabilities of Valley Forge nor was it furnished with any such appraisals. Wildwood Capital's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of the date of its opinion.

The following is a summary of the material financial analyses delivered by Wildwood Capital to the independent committee of directors of Valley Forge in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Wildwood, nor does the order of analyses described represent relative importance or weight given to those analyses by Wildwood Capital. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on publicly reported market data as it existed on or before May 26, 2005 and is not necessarily indicative of current market conditions. In preparing its fairness opinion, Wildwood Capital reviewed traditional techniques for rendering fairness opinions. After careful review of a number of techniques, Wildwood Capital applied those techniques it felt were relevant given that Valley Forge is a thinly traded public company in the microcap market. Accordingly, Wildwood Capital focused much of its review on the public stock performance, trading history and implied liquidity in the Valley Forge common stock.

Historical Trading Review. Wildwood Capital examined the historical trading activity and implied market capitalizations of Valley Forge dating back to January 1, 1998. This period was highlighted by the technology bull market of the late 1990s and subsequent bear market. Also occurring during this period were the terrorist attacks of September 11, 2001. These events had significant effects on the whole market, and therefore were included in our analysis. During this period, we observed a high market capitalization of \$52,503,470 on May 5, 1998 and a low market capitalization of \$7,173,639 on December 21, 2000. In addition, the high daily trading volume during this period was 663,500 shares on September 15, 1998. There were numerous occurrences of zero daily trading volume, particularly in the last three years. Wildwood Capital also noted the average market capitalizations for the individual years:

Year	Average Market Capitalization	Average Daily Trading Volume
1998	\$ 36,819,037	28,312
1999	\$ 33,276,157	26,287
2000	\$ 17,985,878	18,164
2001	\$ 20,860,056	6,993
2002	\$ 17,958,651	3,797
2003	\$ 11,095,031	4,949
2004	\$ 14,485,796	3,477

On Monday, May 2, 2005, just prior to the proposed merger announcement, the last sales price for Valley Forge common stock was \$1.87, implying a market capitalization of \$14,797,933. On the first day of trading after the announcement, Tuesday, May 3, 2005, Valley Forge closed at \$2.30, implying a market capitalization of \$18,201,538. On Wednesday, May 25, 2005, 17 trading days after the proposed merger announcement, Valley Forge closed at \$4.27, implying a market capitalization of \$33,759,895. Wildwood Capital concluded that the excessive advance and indicative market price of Valley Forge common stock is not an indication of value, but rather a reaction to the news of the proposed merger. There is no guarantee that current levels of price and volume can be sustained.

Review of Similar Transactions. Wildwood Capital examined all transactions of publicly traded medical device companies going back to January 1, 2004 in an attempt to identify a transaction similar to the merger of Valley Forge and Synergetics. Wildwood Capital was unable to identify a similar transaction involving similarly situated companies. Wildwood Capital concluded that transactions occurring prior to 2004 were unreliable because of the evolving nature of the medical device industry.

Review of Comparable Companies. Wildwood Capital examined publicly held companies of similar size and within a similar segment in an attempt to identify a company similar to Valley Forge. The objective was to evaluate the implied characteristics of similar companies, such as price to revenues and price to book values. Wildwood Capital concluded that a company sufficiently similar to Valley Forge for meaningful comparison does not exist. Wildwood Capital then examined the implied characteristics of the 27 publicly-held medical device companies with revenues between \$2,000,000 and \$8,000,000. For the group of 27, it was noted that the average price to revenues multiple was approximately 7.19, and the average price to book value multiple was approximately 3.88. On Monday, May 2, 2005, just prior to the proposed merger announcement, Valley Forge possessed a price to revenues multiple of 2.62 and a price to book value multiple of 3.29, ranking 17th and 13th, respectively, among the 27 companies. These multiples were below the average in both cases. On Wednesday, May 25, 17 trading days after the proposed merger announcement, Valley Forge's price to revenues multiple was 6.90, and its price to book value multiple was 8.67, ranking 7th and 3rd, respectively, among the 27. Furthermore, on May 25, 2005, Valley Forge's price to book value multiple was higher than the average, and the price to revenue multiple was near the average.

Static Value Analysis - Contribution of Earnings. Wildwood Capital reviewed the relative contributions of both companies on a static basis for the past three fiscal years of operations. Synergetics' profits for its past three fiscal years were approximately \$3.2 million, and Valley Forge's profits for its past three fiscal years were approximately \$900,000. Valley Forge's profits as a percentage of the combined profits were 22.1%. In this review, Wildwood Capital looked at growth in revenue together with growth in profits. Both companies are in the same broad classification of the medical device industry, but they each operate in different segments. Synergetics showed a compound annual growth in revenue equal to over 27% during the three-year period while Valley Forge showed compound annual growth to be negative 3.9% during the same period, reflecting the mature nature of its main product and its position as a manufacturer which sells its products to distributors.

Discounted Cash Flow Analysis. The contributions of both companies to the combined company were viewed on a non-synergistic basis going forward, looking at standard industry growth rates which, in the case of Valley Forge, had exceeded its historical growth rate. Under this analysis, applying a multiple of revenue of 2.5x to the terminal sales and using a 20% discount rate, the present value of the cash flows of Synergetics equaled \$35 million while Valley Forge equaled \$10.4 million, or 22.9% of the combined total.

Discounted Pro Forma Cash Flow Analysis. Wildwood Capital reviewed the potential synergistic contributions of both companies to the combined company. Wildwood Capital reviewed the forecasts by the management of each company for reasonableness. Wildwood Capital assumed that with respect to the financial projections provided to Wildwood Capital, that such projections have been realistically prepared in good faith on the basis of reasonable judgments as to the potential future financial performance of both companies. While it was not part of Wildwood Capital's responsibility to challenge the forecasts, it was

incumbent on Wildwood Capital to view the forecasts in an objective and pragmatic manner taking into consideration the factors and variables, including, without limitation, industry, market position, general economic activity and increased competition. Wildwood Capital reviewed the discounted cash flows of the forecast applying a multiple of 2.5 to terminal revenue and a multiple of 15 to terminal net income which yielded a discounted cash flow for Synergetics of \$43.1 million under one method and \$30.6 million under the other method. Valley Forge's discounted cash flow yielded \$14.4 million under one method and \$13.5 million under the other method. Under these two methods, Wildwood Capital found that Valley Forge as a percentage of the total combined pro forma value was 25.0% under one method and 30.6% under the other method. The results of a discounted cash flow analysis may vary based upon, among other factors, the discount rates, the terminal values and synergy estimates used in the analysis by a particular investment bank.

Under the terms of the engagement letter, Valley Forge has agreed to pay to Wildwood Capital a fee of \$100,000, payable in two equal installments. This fee is not conditional upon the closing of the transaction. In addition, Valley Forge has agreed to reimburse Wildwood Capital for its expenses incurred in performing its services and to indemnify Wildwood Capital from and against certain liabilities and expenses which arise out of or relate to its engagement.

Additional Synergetics Reasons for the Merger

In addition to the reasons described above, the Synergetics board of directors believes that the following are additional reasons the merger will be beneficial to Synergetics and its shareholders:

the combination of the Synergetics Omni® system and the Valley Forge line of bipolar electrosurgical systems will enhance Synergetics' penetration in the neurosurgery market for both product lines, providing for a stronger suite of products to solve a broad spectrum of surgical requirements and will strengthen its ability to attract product and product line extension technologies in neurosurgery;

the broader product line in the neurosurgery market will allow Synergetics to more quickly expand its direct sales force and distribution channels by enabling Synergetics to develop stronger relationships with both United States and international distribution partners;

combining with Valley Forge will allow Synergetics engineers access to Valley Forge's electrosurgical generator technologies when designing ophthalmologic and neurosurgical equipment, which will allow New Synergetics to produce additional innovative and sophisticated products;

the use of Synergetics' hand instrument design and in-house manufacturing capabilities should expand the hand instruments and disposables available for the Valley Forge products and provide surgeons more bipolar interface options;

the use of the Malis® trademark, a name widely recognized and respected in the neurosurgery field, will enhance New Synergetics' ability to achieve greater presence in the neurosurgical equipment market;

for Synergetics' shareholders, customers and employees, the prospects of the strategic business combination of Synergetics and Valley Forge are more favorable than the prospects of the companies as separate entities;

New Synergetics will have greater technical expertise, as well as management and financial resources to devote to research and development consistent with each company's focus on building value by pursuing technological leadership through continuous innovation, product improvement and product differentiation; and

by pooling the resources and skills of both Synergetics and Valley Forge, New Synergetics will be better equipped to improve its competitive position in the markets previously served by Synergetics and Valley Forge, respectively.

In reaching its determination, the Synergetics board of directors consulted with senior management on all of the foregoing issues as well as more conceptual issues and advantages of the proposed merger as compared to other alternatives, such as an initial public offering, joint ventures, acquisitions of or by other companies or seeking additional financing with venture capitalists. The Synergetics board considered a number of factors in reaching its decision, without assigning any specific or relative weight to those factors. The material factors considered include:

information concerning the businesses, earnings, operations, competitive position and future business prospects of Valley Forge and Synergetics, both individually and as combined;

the belief that by combining complementary operations, the combined company would have better opportunities for future growth than Synergetics would have on its own;

the current and prospective economic and competitive environments facing Synergetics as a stand-alone company;

the belief that the merger would provide Synergetics with additional management, technical and financial resources to grow more quickly;

the opportunity for Synergetics shareholders to participate in a larger, more diversified organization and to benefit from the potential appreciation in the value of Valley Forge's common stock;

the fact that the outstanding shares of Valley Forge common stock are, and the shares of Valley Forge common stock to be issued to Synergetics shareholders will be, publicly traded on the Nasdaq SmallCap Market and as a result, will enjoy greater liquidity than the shares of Synergetics common stock, which are not regularly traded in any market; and

the likely impact of the merger on Synergetics employees and customers.

The Synergetics board also considered a number of risks and potentially negative factors in its deliberations concerning the merger, including the risk factors described elsewhere in the section entitled "RISK FACTORS" beginning on page 23, and the following:

the risk that the merger would not be completed in a timely manner or at all;

the significant dilution that Synergetics' shareholders will experience in the relative percentage interests in earnings of the combined company;

the fact that Synergetics shareholders will not receive the full benefit of any future growth in the value of their equity that Synergetics may have achieved as an independent company;

the potential disadvantage to Synergetics shareholders in the event New Synergetics does not perform as well in the future as Synergetics may have performed as an independent company;

the possibility that certain provisions of the merger agreement, and the fact that all directors and certain executive officers of Synergetics owning in the aggregate approximately 19% of all the outstanding capital stock of Synergetics executed a voting agreement with Valley Forge, would likely have the effect of discouraging other persons potentially interested in merging with or acquiring Synergetics from pursuing such an opportunity;

the risk that the potential benefits of the merger may not be realized;

the challenge of integrating the businesses and operations of Valley Forge and Synergetics and the substantial management time and effort and the substantial costs required to complete the integration following the merger;

the comprehensive reporting, governance and disclosure requirements applicable to New Synergetics as a public company and the fact that certain of New Synergetics' management team has little or no experience with these public company requirements; and

the risk of management and employee disruption associated with the merger, including the risk that key technical and management personnel may decide not to continue employment with the combined company.

The above discussion of information and factors provided to the Synergetics board of directors is not intended to be exhaustive, but is believed to include all material factors considered by the board. The board did not quantify or otherwise assign relative weight to the specific factors considered. In addition, the Synergetics board did not reach any specific conclusion on each factor considered, or any aspect of any particular factor, but conducted an overall analysis of these factors. Individual members of the Synergetics board may have given different weight to different factors.

The board of directors of Synergetics determined that the merger is preferable to the other alternatives that might be available to Synergetics, such as remaining independent and growing internally and through future acquisitions or financings, or engaging in a transaction with another party. The Synergetics board made that determination because it believes that the merger will unite two companies with complementary business strengths, technologies and operating philosophies, thereby creating a combined company with greater size, flexibility, efficiencies, capital strength and profitability potential than Synergetics possesses on a stand-alone basis or that Synergetics might be able to achieve through other alternatives.

FOR THE REASONS SET FORTH ABOVE, THE BOARD OF DIRECTORS OF SYNERGETICS RECOMMENDS THAT HOLDERS OF SYNERGETICS COMMON STOCK VOTE FOR THE PROPOSAL TO APPROVE THE MERGER AGREEMENT AND THE MERGER CONTEMPLATED BY THE MERGER AGREEMENT.

Interests of Certain Persons in the Merger

In considering the recommendation of the Valley Forge board and Synergetics board with respect to approval of the merger agreement and the merger contemplated by the merger agreement, Valley Forge shareholders and Synergetics shareholders should be aware that certain members of the Valley Forge board and Synergetics board and executive officers of Valley Forge and Synergetics have interests in the merger in addition to their interests as shareholders of Valley Forge and Synergetics.

These interests include:

the continuation of two current directors of Valley Forge as directors of New Synergetics upon completion of the merger and the appointment of Jerry L. Malis as an executive officer of New Synergetics upon completion of the merger;

the appointment of two current directors of Synergetics as directors of New Synergetics upon completion of the merger and the appointment of Gregg D. Scheller, Kurt W. Gampp, Jr. and Pamela G. Boone as executive officers of New Synergetics upon completion of the merger;

the execution of a three-year employment agreement by each of Messrs. Scheller, Gampp and Malis with New Synergetics providing for, among other things, the receipt of severance payments if such executive officer is terminated without cause by New Synergetics, or if such executive officer resigns for good reason;

a payment to Dr. Malis, a current director of Valley Forge, of \$4,157,504, payable in installments over a period of approximately six years, upon exercise of an option granted to Valley Forge to purchase the Malis® trademark, which payment will be evidenced by a promissory note secured by a security interest in the trademark and certain patents; and

the continued indemnification of, and provision of directors and officers insurance coverage to, current directors and officers of Synergetics following the merger.

The board of directors of both companies were aware of these interests and considered them, among other matters, in making their recommendations that the shareholders approve the merger agreement and the merger contemplated by the merger agreement.

New Synergetics Board of Directors and Executive Officers After the Merger

After the completion of the merger, Mr. Scheller will be the President and Chief Executive Officer of New Synergetics, Mr. Malis will be an Executive Vice President and Chief Scientific Officer of New Synergetics, Mr. Gampp will be the Chief Operating Officer of New Synergetics and Ms. Boone will be the Chief Financial Officer of New Synergetics. In addition, it is anticipated that Messrs. Scheller, Malis and Gampp will serve as Class C directors of New Synergetics after the completion of the merger. Further, Mr. Dick, a current director of Valley Forge, is expected to be a Class A director of New Synergetics after completion of the merger. Certain other officers of Valley Forge and Synergetics will continue to be employees of New Synergetics.

Employment Agreements

Each of Mr. Scheller, Mr. Malis and Mr. Gampp will enter into three-year employment agreements with New Synergetics. Mr. Scheller's initial base salary will be \$377,000, Mr. Malis' initial base salary will be \$230,000, and Mr. Gampp's initial base salary will be \$346,000. In the event any of such executive officers are terminated without cause, or if such executive officer resigns for good reason, such executive officer shall be entitled to his base salary and health care benefits through the end of the term of his employment agreement.

As used in the employment agreements with the New Synergetics executive officers, cause shall mean (1) the executive officer's conviction of any felony, or conviction for embezzlement or misappropriation of money or other property of New Synergetics, (2) any act of gross negligence in performing the executive officer's duties, (3) the executive officer's willful refusal to execute his duties (other than for disability), or (4) the executive officer's breach of the non-competition terms contained in the employment agreement. Termination for the events described in clauses (2) and (3) above will not constitute termination for cause unless the executive officer is provided written notice reasonably detailing such occurrence and is given five business days after receipt of such notice to cure such event and an opportunity to be heard before the New Synergetics board of directors.

As used in the employment agreements with the New Synergetics executive officers, the term good reason means (1) a failure to pay, or a reduction, by New Synergetics of the executive officer's base salary, (2) the failure or refusal by New Synergetics to provide the executive officer with the benefits set forth in the employment agreement, (3) the assignment to the executive officer of any duties materially inconsistent with the duties set forth in the employment agreement, which assignment is not cured within five business days of written notice to New Synergetics, (4) in the case of Mr. Malis, a requirement imposed by New Synergetics on Mr. Malis that results in Mr. Malis being based at a location that is outside of a 35 mile radius of Valley Forge's current Philadelphia area corporate offices, and in the case of Messrs. Scheller and Gampp, 35 miles from the St. Charles office, (5) a change in the executive officer's title, (6) if the executive officer is no longer a member of the New Synergetics board of directors, other than by death, disability or a removal by shareholder vote for cause, (7) any material breach by New Synergetics of the employment agreement, which breach is not cured within five business days after receipt of written notice from the executive officer, or (8) the termination of executive officer's employment other than for cause, death or disability.

Indemnification; Directors and Officers Insurance

In the merger agreement, the parties agreed that, following completion of the merger, Valley Forge and any of its subsidiaries would honor any indemnification arrangements currently in place between Synergetics and any of its directors and officers (other than for acts of willful misconduct or gross negligence) and any indemnification arrangements currently in place between Valley Forge and any of its

directors and officers (other than for acts of willful misconduct or gross negligence). Additionally, Valley Forge agreed that, for a period of three years following completion of the merger, New Synergetics and any of its subsidiaries would cause the certificate of incorporation and bylaws (or any similar organizational documents) of New Synergetics and its subsidiaries to contain indemnification and exculpation provisions no less favorable to the exculpation provisions contained in the Synergetics certificate of incorporation and bylaws immediately before the merger and those contained in the Valley Forge articles of incorporation immediately before the merger.

In addition, for a period of three years from the completion of the merger, New Synergetics will cause both Synergetics and Valley Forge's existing policies of directors and officers liability insurance, if any, to be maintained, subject to certain limitations. Alternatively, New Synergetics is permitted to purchase a three-year tail prepaid policy on any Synergetics directors and officers liability insurance and maintain the policy in full force and effect for a period of three years.

Material Federal Income Tax Consequences

The following discussion summarizes the material United States federal income tax consequences of the merger that are expected to apply generally to a Synergetics shareholder upon an exchange of shares of Synergetics stock for shares of Valley Forge common stock in the merger.

The following discussion is not intended to be a complete analysis or description of all potential United States federal income tax consequences of the transaction. Some of the tax consequences described below are uncertain and the Internal Revenue Service (the IRS) may assert that alternative tax consequences should apply. The discussion does not address tax consequences that may vary with, or are contingent on individual circumstances. The discussion does not address any non-income tax or any foreign, state or local tax consequences of the transaction. Accordingly, Synergetics shareholders are strongly urged to consult with their own tax advisors to determine the particular United States federal, state, local or foreign income or other tax consequences to you of the transaction.

This summary is based upon the interpretations of current provisions of the Internal Revenue Code of 1986, as amended (the Code), as well as existing Treasury Regulations promulgated under the Code, existing Treasury rulings and court decisions, all of which are subject to change. Any change, which may or may not be retroactive, could alter the tax consequences to Valley Forge, Synergetics or the Synergetics shareholders described in this summary.

No attempt has been made to comment on all federal income tax consequences of the merger that may be relevant to particular holders, including holders:

who do not hold their shares of Synergetics common stock, or will not hold the shares of Valley Forge common stock received pursuant to the merger, as capital assets;

who are subject to special tax rules such as financial institutions, dealers in securities, foreign persons, mutual funds, insurance companies or tax-exempt entities;

who are subject to the alternative minimum tax provisions of the Code;

who acquired their Synergetics shares in connection with the exercise of stock options or under stock purchase plans or in other compensatory transactions;

who hold their Synergetics shares as a hedge or as part of a hedging, straddle or other risk reduction strategy; or

who are not United States persons.

In addition, the following discussion does not address:

the tax consequences of the merger under state, local or foreign tax laws;

the tax consequences to holders of options issued by Synergetics which are converted into the right to receive shares of Valley Forge common stock in connection with the merger; or

the tax consequences of the receipt of shares of Valley Forge common stock other than in exchange for shares of Synergetics common stock.

As a condition to the completion of the merger, Synergetics' counsel must render a tax opinion that the merger will constitute a reorganization within the meaning of Section 368(a)(1)(A) and (a)(2)(E) of the Code, excluding from such opinion any effect of the reincorporation merger under Section 368(a)(1)(F) of the Code.

The tax opinion discussed in this section is not binding on the IRS, and no ruling from the IRS has been or will be requested in connection with the merger. Therefore, the IRS may adopt a contrary position and a contrary position could be sustained by a court. Further, the tax opinion relies on representations and covenants made by Valley Forge and Synergetics and is conditioned upon certain assumptions and qualifications.

Merger's qualification as a reorganization. The merger will satisfy the criteria for a reorganization established by the applicable provisions of the Code, the applicable Treasury Regulations and existing case law. However, the IRS has issued various criteria which must be satisfied as a condition of the IRS issuing a ruling that a transaction qualifies as a reorganization. The merger will satisfy all of those criteria.

Except as otherwise specifically noted, the following discussion of the tax consequences assumes that the merger qualifies as a reorganization.

Taxation of consideration received. In the merger, Synergetics shareholders are entitled to receive consideration consisting of:

shares of Valley Forge common stock to be issued at the closing; and

cash in lieu of fractional shares of Valley Forge common stock, which would otherwise be issued at the closing.

Synergetics shareholders will not recognize gain or loss upon the receipt of shares of Valley Forge common stock issued at the closing.

If a Synergetics shareholder receives cash in lieu of a fractional share of Valley Forge common stock, such shareholder will be deemed to have received such fractional share and to have exchanged it for cash. Such shareholder will recognize gain or loss equal to the difference, if any, between the basis in the fractional share and the amount of cash received.

Character of income and gain. The gain recognized with respect to the cash received in lieu of fractional shares will be treated as capital gain unless the receipt of such cash has the effect of a distribution of a dividend for United States federal income tax purposes, in which case the gain will be treated as ordinary dividend income to the extent of a Synergetics shareholder's ratable share of Synergetics' accumulated earnings and profits. Any capital gain will be long-term capital gain if, as of the date of the merger, the Synergetics shareholder's holding period in Synergetics common stock is greater than one year.

Tax basis of Valley Forge common stock. The aggregate basis of the shares of Valley Forge common stock received by Synergetics shareholders as part of the merger consideration will be the same as the aggregate basis of such Synergetics shareholders' shares of Synergetics common stock that such Synergetics shareholders exchanged (except for the basis represented by fractional shares which are exchanged for cash), reduced by the amount of any cash received in the transaction (other than cash received for fractional shares) and increased by any gain recognized in the transaction (other than the gain otherwise recognized on the receipt of cash for fractional shares).

Holding period of Valley Forge common stock. The holding period of the shares of Valley Forge common stock received by a Synergetics shareholder as part of the merger consideration will include the holding period of the shares of Synergetics common stock surrendered by such Synergetics shareholder in exchange for such shares.

Backup withholding. If a Synergetics shareholder is not a corporation, it may be subject to backup withholding at a rate of 28% on any cash paid to the shareholder in the merger. However, back-up withholding will not apply to such Synergetics shareholders if they either (1) furnish a correct taxpayer identification number and certify that such Synergetics shareholder is not subject to backup withholding by completing the substitute Form W-9 that will be included as part of the letter of transmittal, or (2) otherwise prove to Valley Forge and its exchange agent that such shareholder is exempt from backup withholding.

Reporting requirements. Valley Forge will be required to file a statement with its federal income tax return setting forth its basis in such shareholder's Synergetics common stock surrendered and the fair market value of the Valley Forge common stock that was received in the merger and to retain permanent records of these facts relating to the merger.

Consequences of IRS challenge. If the IRS successfully challenges the status of the merger as a reorganization, a Synergetics shareholder will realize taxable gain or loss equal to the difference between (i) the fair market value of the shares of Valley Forge common stock that such Synergetics shareholder receives and (ii) the basis in such shareholder's Synergetics common stock that was exchanged.

Treatment of the entities. No gain or loss will be recognized by Valley Forge or Synergetics as a result of the merger.

Cash received by dissenting shareholders. In the absence of authority directly on point, counsel to Valley Forge and counsel to Synergetics are each unable to provide an unequivocal opinion with respect to the United States federal income tax consequences to a shareholder who perfects dissenters' rights. It is possible that an eligible Synergetics shareholder that perfects its dissenters' rights will be required to recognize capital gain or loss at the effective time of the merger in an amount equal to the difference between the amount realized and the tax basis of such shareholder's shares of Synergetics common stock. In addition, a portion of any proceeds received following the effective time of the merger may be characterized as interest, taxable as ordinary income, thus reducing the amount of such capital gain or decreasing the amount of such capital loss (as the case may be). It is also possible that a shareholder who perfects dissenters' rights will be required to recognize gain or loss at the time of actual payment for such shares, measured by the difference between the amount of cash received by such shareholder and the shareholder's adjusted tax basis in such shares. Given the uncertain treatment under the federal income tax law, a shareholder who determines to perfect dissenters' rights should consult his or her tax advisor.

Accounting Treatment

The transaction described in this joint proxy/prospectus statement will be accounted for as a purchase, as that term is used under generally accepted accounting principles, commonly referred to as GAAP, for accounting and financial reporting purposes. Valley Forge will be treated as the acquired corporation for these purposes. Valley Forge's assets, liabilities and other items will be adjusted to their fair value with fair value of the acquired corporation determined based on the quoted market price of Valley Forge's common stock for a reasonable period before and after the date that the terms of the acquisition were agreed to and announced and combined with the historical carrying values of the assets and liabilities of Synergetics. Applicable income tax effects of these adjustments will be included as a component of the combined company's deferred tax asset or liability. Goodwill and intangible assets that have indefinite useful lives resulting from this transaction will be reported as long-term assets subject to annual impairment reviews.

Regulatory Approvals

Other than the filing of a certificate of merger under Delaware law and Missouri law with respect to the merger, Valley Forge and Synergetics do not believe that any additional material governmental filings are required with respect to the merger.

Certain Securities Laws Considerations

The Valley Forge common stock to be issued in the merger will be registered under the Securities Act. These shares will be freely transferable under the Securities Act, except for Valley Forge common stock issued to any person who is deemed to be an affiliate (as that term is used in Rule 145 under the Securities Act) of Synergetics. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with Synergetics and include Synergetics directors and certain officers as well as its principal shareholders. Affiliates may not sell their Valley Forge common stock acquired in the merger except pursuant to:

an effective registration statement under the Securities Act covering the resale of those shares;

an exemption under paragraph (d) of Rule 145 under the Securities Act;

an exemption under Rule 144 under the Securities Act; or

any other applicable exemption under the Securities Act.

Relationships between Valley Forge and Synergetics

Except as otherwise described in this joint proxy/prospectus statement, neither Valley Forge nor, to the best of Valley Forge's knowledge, any of its directors, executive officers or other affiliates has any contract, arrangement, understanding or relationship with any other person with respect to any securities of Synergetics, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities, joint ventures, loan or option arrangements, guaranties of loans, guaranties against loss or the giving or withholding of proxies.

Except as otherwise described in this joint proxy/prospectus statement, neither Synergetics nor, to the best of Synergetics' knowledge, any of its directors, executive officers or other affiliates has any contract, arrangement, understanding or relationship with any other person with respect to any securities of Valley Forge, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities, joint ventures, loan or option arrangements, guaranties of loans, guaranties against loss or the giving or withholding of proxies.

Dissenters' Rights

Section 351.455 of the General and Business Corporations Law of Missouri, or the GBCLM, entitles any shareholder of Synergetics as of the Synergetics' record date, in lieu of receiving the merger consideration to which such shareholder would otherwise be entitled pursuant to the merger agreement, to dissent from the merger and demand payment in cash of the fair value of the shares of Synergetics held by such shareholder, exclusive of any element of value arising from the expectation or accomplishment of the merger. These rights are commonly known as dissenters' rights. Any Synergetics shareholder contemplating the exercise of these dissenters' rights should review carefully the provisions of Section 351.455 of the GBCLM, a copy of which is attached as Annex F, particularly the specific procedural steps required to perfect such rights. Such rights will be lost if the procedural requirements of Section 351.455 of the GBCLM are not fully and precisely satisfied.

Set forth below is a brief description of the procedures relating to the exercise of dissenters' rights. The following description does not purport to be a complete statement of the provisions of Section 351.455 of the GBCLM and is qualified in its entirety by reference thereto.

To exercise these dissenters' rights, the shareholder must:

file a written objection to the merger before or at the special meeting at which the merger is submitted to a shareholder vote;

not vote in favor of the merger;

within 20 days after the merger is effected, make written demand on the surviving corporation for payment of the fair value of the shares as of the day before the date on which the vote was taken approving the merger (the surviving corporation will notify dissenting shareholders of the effective date of the merger); and

this written demand shall state the number and class of shares owned by the dissenting shareholder.

If the dissenting Synergetics shareholder and the surviving corporation agree on the value of the shares within 30 days of the merger taking effect, the corporation will make payment for the shares within 90 days after this date upon the shareholder's surrender of his or her certificates. If the dissenting shareholder and the surviving corporation cannot agree on the value of the shares within 30 days of the merger taking effect, the shareholder may, within 60 days following the end of the 30-day period, file a petition with any court within the county in which the registered office of the surviving corporation is situated for a judicial determination of the fair value of the shares. If the dissenting shareholder does not file the petition within this timeframe, he or she will be presumed to have approved and ratified the merger.

The right of a dissenting shareholder to be paid the fair value of his or her shares will cease if the shareholder fails to comply with the procedures of Section 351.455 of the GBCLM or if the merger agreement is terminated for any reason.

Upon receiving payment of the agreed-upon or judicially determined value, the dissenting shareholder shall cease to have any interest in such shares or in the surviving corporation.

Exchange of Stock Certificates

Surrender of shares of Synergetics common stock. From and after the effective time of the merger, each holder of a certificate that represented, before the effective time of the merger, shares of Synergetics common stock will have the right to surrender each certificate to Valley Forge and receive certificates representing the number of shares of Valley Forge common stock and any dividends or distributions to which they are entitled. The surrendered certificates will be cancelled. **Synergetics shareholders should review and follow the instructions that accompany this joint proxy statement/ prospectus regarding the process for surrendering Synergetics certificates.**

Fractional shares. Valley Forge will not issue any fractional shares of Valley Forge common stock in the merger. Instead, each holder of shares of Synergetics common stock exchanged pursuant to the merger who would otherwise have been entitled to receive a fraction of a share of Valley Forge common stock will be entitled to receive cash (without interest) in an amount rounded to the nearest whole cent equal to the product of such fractional part of Valley Forge common stock multiplied by the last sale price for a share of Valley Forge common stock on the Nasdaq SmallCap Market on the last trading date before the effective date of the merger.

No further registration or transfer of Synergetics common stock. At the effective time of the merger, the stock transfer books of Synergetics will be closed, and there will be no further transfers of shares of Synergetics common stock on the records of Synergetics. After the effective time of the merger, the holders of Synergetics stock certificates will cease to have any rights with respect to such shares of Synergetics common stock except as otherwise provided for in the merger agreement or by applicable law.

Dissenting shares. Dissenting Synergetics shares will not be converted into or represent the right to receive Valley Forge common stock. If the holder of the dissenting shares forfeits his or her rights to dissent under Section 351.455 of the GBCLM or has properly withdrawn his or her rights to dissent, such shares will no longer be dissenting shares and will be converted into and represent the right to receive shares of Valley Forge common stock in connection with the merger. Valley Forge will deliver to the holder of these shares a certificate representing all of the shares issued to the shareholder in connection with the merger and cash for any fractional shares.

Lost certificates. If any Synergetics certificates are lost, stolen or destroyed, a Synergetics shareholder must provide an appropriate affidavit of that fact. Valley Forge may require the owner of such lost, stolen or destroyed Synergetics certificates to deliver a bond as indemnity against any claim that may be made against Valley Forge with respect to the Synergetics certificates alleged to have been lost, stolen or destroyed.

Stock Ownership Following the Merger

The former holders of Synergetics common stock would hold and have voting power with respect to approximately 66% on a fully diluted basis, and the shareholders of Valley Forge before the closing of the merger would hold and have voting power with respect to approximately 34% on a fully diluted basis, of Valley Forge's total issued and outstanding shares of common stock after completion of the merger.

TERMS OF THE MERGER AGREEMENT

The following is a summary of the material provisions of the merger agreement, as amended. However, the following is not a complete description of all provisions of the merger agreement. We urge you to carefully read the entire merger agreement, which is attached as Annex A to this joint proxy/prospectus statement and is incorporated into this document by reference. This summary is qualified in its entirety by reference to the full text of the merger agreement, as amended.

General

The merger agreement provides for the merger of Synergetics with Synergetics Acquisition Corporation, a wholly-owned subsidiary of Valley Forge that was created to effect the merger (MergerSub). As a result of the merger, Synergetics will become a wholly-owned subsidiary of Valley Forge. The shareholders of Synergetics will become shareholders of Valley Forge. Valley Forge, as it exists after completion of the merger, will sometimes be referred to in this joint proxy statement/ prospectus as New Synergetics.

The merger agreement contemplates the reincorporation of Valley Forge as a Delaware corporation through the merger of Valley Forge with VFSC Delaware, Inc., a wholly-owned subsidiary of Valley Forge.

Closing and Effective Time of the Merger

We will complete the merger when all of the conditions to completion of the merger contained in the merger agreement, which are described in the section entitled, Conditions to Obligations to Complete the Merger beginning on page 70, are satisfied or waived, including approval by the shareholders of Valley Forge of the issuance of shares of Valley Forge common stock to Synergetics shareholders as contemplated by the merger agreement and the approval and adoption of the merger agreement and the merger contemplated therein by the Synergetics shareholders. The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Missouri and the Secretary of State of the State of Delaware.

The reincorporation merger will become effective when the certificate of merger relating to the reincorporation merger shall have been filed with the Secretary of State of the State of Delaware and the Secretary of State of the Commonwealth of Pennsylvania. Under the terms of the merger agreement, the reincorporation of Valley Forge is required to complete the merger. If shareholders approve the merger, but not the reincorporation merger, the Synergetics board of directors must waive this condition in order for the merger to proceed, in which case Valley Forge will remain a Pennsylvania corporation.

We are working to complete the merger as quickly as possible. Because completion of the merger is subject to certain conditions that are beyond our control, we cannot predict the exact timing, although absent any unanticipated delay, we expect to close the merger during the third quarter of 2005 and in any event, within one business day of obtaining the required Valley Forge and Synergetics shareholder approvals.

Treatment of Securities

Synergetics Common Stock

Under the terms of the merger agreement, upon completion of the merger, the holders of issued and outstanding shares of Synergetics common stock shall be entitled to receive, in the aggregate, the number of shares of Valley Forge common stock equal to the result obtained by dividing the number of issued and outstanding shares of Valley Forge common stock as of the date of the merger agreement (7,913,712 shares) by 0.34, then subtracting such number of issued and outstanding shares of Valley Forge common stock, and then adding 612,000 shares of Valley Forge common stock. As a result, upon completion of the merger, Synergetics shareholders shall be entitled to receive an aggregate of 15,973,912 shares of Valley Forge common stock, also referred to herein as the merger consideration.

Each

outstanding share of Synergetics common stock shall be converted into the right to receive shares of Valley Forge common stock equal to the quotient determined by dividing the merger consideration by the then issued and outstanding shares of Synergetics common stock. Upon completion of the merger, Valley Forge will assume all outstanding options to purchase Synergetics common stock granted under the Synergetics Incentive Stock Option Plan. For more information, see *Synergetics Stock Options* below. None of the shares of Valley Forge common stock issued in the merger will be subject to repurchase rights at the time of the closing.

Fractional Shares

Valley Forge will not issue certificates representing fractional shares of its common stock in the merger. Any shareholder who would otherwise be entitled to a fractional share under the merger agreement will receive a cash payment (rounded to the nearest whole cent) equal to the last sale price per share of Valley Forge common stock on the Nasdaq SmallCap Market on the business day immediately preceding the closing date, multiplied by the fraction of a share that such Synergetics shareholder would otherwise be entitled to receive.

Synergetics Stock Options

When the merger is completed, Valley Forge will assume all outstanding Synergetics options granted under the Synergetics Incentive Stock Option Plan and convert them into options to purchase shares of Valley Forge common stock. Valley Forge will convert each assumed option into an option to purchase that number of shares of Valley Forge common stock equal to the number of shares of Synergetics common stock subject to the unexercised portion of the Synergetics options immediately before the merger, multiplied by the conversion ratio applicable to the exchange of shares of Synergetics common stock for shares of Valley Forge common stock, rounded to the nearest whole share. The exercise price per share for each assumed Synergetics option will be equal to the exercise price per share of the original Synergetics option divided by the conversion ratio applicable to the exchange of shares of Synergetics common stock for shares of Valley Forge common stock, rounded up to the nearest whole cent. Each assumed option will be subject to all other terms and conditions set forth in the applicable documents evidencing each Synergetics option immediately before the effective time of the merger. As of the record date for Synergetics special meeting of shareholders, options to purchase approximately [] shares of Synergetics common stock were outstanding under the Synergetics Incentive Stock Option Plan.

New Synergetics will file, within 30 days after completion of the merger, a registration statement on Form S-8 with the SEC covering shares of Valley Forge common stock issuable in connection with the assumed options. Valley Forge shall use its reasonable best efforts to maintain the effectiveness of such registration statement for so long as any assumed options remain outstanding.

Exchange of Stock Certificates

Promptly after the date the merger is effective, New Synergetics transfer agent will mail to each shareholder of Synergetics a letter of transmittal in customary form and instructions for use in exchanging Synergetics common stock certificates for Valley Forge common stock certificates and cash for any fractional share. In addition, the merger agreement contemplates that, upon receipt of a Synergetics common stock certificate and a duly executed letter of transmittal and any other documents that Valley Forge and the transfer agent reasonably require, the transfer agent will mail to each record holder of the Synergetics shares a certificate representing the number of whole shares of Valley Forge common stock that the holder has the right to receive (and any dividends or other distributions payable thereon) and cash in lieu of any fractional share.

After the completion of the merger, until it is surrendered, each certificate that previously evidenced Synergetics common stock will only represent the right to receive (1) shares of Valley Forge common stock and (2) cash instead of a fractional share of Valley Forge common stock. Valley Forge will not pay dividends or other distributions on any shares of Valley Forge common stock to be issued in exchange for

any Synergetics common stock certificate that is not surrendered until the Synergetics stock certificate is surrendered in accordance with the merger agreement. **Shareholders of Synergetics should not return their share certificates with the enclosed proxy.**

Lost, Mislaid, Stolen or Destroyed Certificates

If a Synergetics stock certificate is lost, mislaid, stolen or destroyed, the holder of the certificate must deliver an affidavit of such fact, and may also be required to deliver an agreement of indemnity before receiving any merger consideration. Valley Forge will issue only (1) Valley Forge common stock, (2) cash in lieu of a fractional share, and (3) any dividends or distributions that may be applicable in a name other than the name in which a surrendered Synergetics common stock certificate is registered only if the person requesting the exchange presents to the transfer agent all documents required to show and effect the unrecorded transfer of ownership and to show that the requesting person paid any applicable stock transfer taxes.

Representations and Warranties

The merger agreement contains general representations and warranties made by each of Valley Forge and MergerSub on the one hand, and Synergetics on the other, regarding aspects of their respective businesses, financial conditions and structures, as well as other facts pertinent to the merger. These representations and warranties are subject to materiality, knowledge and other similar qualifications in many respects, expire at the effective time of the merger and relate to the following subject matters:

corporate organization, qualifications to do business and corporate power;

capitalization;

in the case of Valley Forge, the status of the MergerSub;

corporate authorization, including board approval, to enter into and carry out the obligations contained in the merger agreement;

enforceability of the merger agreement;

absence of any conflict or violation of the corporate charter and any applicable law, or any agreements with third parties, as a result of entering into and carrying out the obligations contained in the merger agreement;

no brokers' fees in connection with the transactions contemplated by the merger agreement;

tangible assets;

in the case of Valley Forge, SEC filings and the financial statements contained in those filings, and, in the case of Synergetics, financial statements;

information provided by the parties to each other presents, in all material respects, a true, accurate and complete description of their respective businesses;

absence of any acquisition or pre-emptive rights with respect to capital stock or other assets or properties arising or resulting from entering into and carrying out the obligations contained in the merger agreement;

absence of material changes or events since July 31, 2004, in the case of Synergetics, and December 31, 2004, in the case of Valley Forge and MergerSub;

absence of undisclosed liabilities;

governmental and regulatory approvals required in connection with the merger;

compliance with applicable laws, and possession and compliance with all permits required for the operation of business;

taxes;

real property;

intellectual property;

bank accounts;

inventory;

material agreements and the absence of breaches of material agreements;

notes and accounts receivable;

powers of attorney;

insurance;

absence of litigation;

product warranties;

product liabilities;

labor matters;

employee benefit plans and employment contracts;

guarantees;

environmental, health and safety matters;

insurance;

interested party transactions;

subsidiaries;

disclosures; and

controls and procedures for required disclosures of financial and non-financial information to the SEC, and in the case of Valley Forge, SEC filings.

Conduct of Business Before Completion of the Merger

Pursuant to the merger agreement, each of Valley Forge and Synergetics has agreed that, until the earlier of the completion of the merger or termination of the merger agreement or as required by a governmental entity, or unless the other party consents in writing, it will carry on its business in the ordinary course consistent with past practices and in material compliance with applicable law, and will use commercially reasonable efforts to:

preserve intact its present lines of business; and

preserve its relationships with customers, suppliers and others with which it has business dealings.

Under the merger agreement, each of Valley Forge and Synergetics has also agreed that, until the earlier of the completion of the merger or termination of the merger agreement, or unless the other party consents in writing, it will not:

amend any material contract or enter into a contract that would be deemed a material contract, or terminate, cancel or waive any right under any material contract, other than in the ordinary course of business, or any contract that involves amounts or expenditures in excess of \$50,000 or which may give rise to commitments beyond twelve months;

enter into any new line of business;

incur or commit any capital expenditures or any obligations or liabilities in connection with any capital expenditures;

declare, set aside, make or pay any dividend or make any other distribution;

issue, deliver or sell, or authorize the issuance, delivery or sale, of any shares of its capital stock of any class, voting debt or any securities convertible into, or exercisable for, any rights, warrants, calls or options to acquire, any of their respective shares, or enter into any arrangement regarding any of the foregoing other than (1) the issuance of shares upon the exercise of any stock options under disclosed plans in accordance with their existing terms in the ordinary course of business consistent with past practice and (2) options granted after the date of the merger agreement to acquire up to 30,000 shares of Valley Forge common stock in the case of Valley Forge, and up to 10,000 shares of Synergetics common stock in the case of Synergetics, pursuant to any of their disclosed stock option plans;

amend or otherwise change its corporate charter and bylaws or other equivalent organizational documents;

acquire (by merger, consolidation or acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof or any equity interest therein;

sell, lease, or otherwise dispose of any of its assets, or agree to do so, other than inventory in the ordinary course of business;

make any loans, advances, capital contributions or investments (unless pursuant to an existing obligation or is \$50,000 or less and in the ordinary course of business consistent with past practices), incur any indebtedness, issue debt securities or make any guarantees;

increase the compensation payable or to become payable to its directors, officers or employees;

change accounting policies and procedures except as required by United States GAAP or other applicable law; or

enter into any agreement or arrangement that could limit or restrict New Synergetics from engaging or competing in any line of business or geographic area after completion of the merger.

In addition, under the terms of the merger agreement, Valley Forge has agreed to:

comply in all material respects with SEC filing and disclosure requirements and comply with all rules, regulations and administrative guidelines promulgated by the Nasdaq SmallCap Market;

with respect to the distribution agreement with Codman, provide notice to Codman to shorten Codman's exclusivity period to no later than the date of closing and to limit sales of its products under the agreement to no more than is contractually required; and

prepare a marketing plan and implementation schedule to assist in the sale of Valley Forge products after the completion of the merger.

Further, under the terms of the merger agreement, Valley Forge has agreed not to, without the consent of Synergetics:

modify the distribution agreement with Codman; or

enter into any distribution or marketing agreement for its products.

Valley Forge and Synergetics are Prohibited from Soliciting Other Offers

Under the terms of the merger agreement, Valley Forge and Synergetics have agreed, and have agreed to cause their directors, officers, partners, employees, advisors, accountants and attorneys, to:

not initiate or solicit any proposals for a merger, acquisition, consolidation or similar transaction involving Synergetics or any purchase of all or a significant portion of assets or equity of their respective companies (acquisition proposals);

not participate in discussions regarding any acquisition proposals;

cease, and cause to be ceased, existing discussions or negotiations with third parties regarding any acquisition proposals; and

immediately notify the other party of any acquisition proposals received by them or any attempts by third parties to discuss or negotiate any acquisition proposals with them.

Each of Valley Forge and Synergetics is obligated to notify the other party upon receipt of any acquisition proposal of the type described above or any request for nonpublic information from a party who has made, or indicated an intention to enter into discussions relating to, an acquisition proposal of the type described above.

Obligations of Each of the Valley Forge and Synergetics Boards of Directors with Respect to its Recommendation and Holding a Meeting of its Shareholders

Under the terms of the merger agreement, the Valley Forge and Synergetics boards of directors each agreed to call, hold and convene a meeting of its shareholders promptly after the registration statement of which this joint proxy statement/ prospectus forms a part is declared effective by the SEC. The Valley Forge board of directors agreed to recommend to its shareholders the approval of the Valley Forge proposals relating to the merger and the transactions contemplated by the merger submitted herein and to use reasonable best efforts to obtain the required shareholder approvals. The Synergetics board of directors agreed to recommend to its shareholders the approval of the merger agreement and the merger and to use reasonable best efforts to obtain the required shareholder approvals. Each of the Valley Forge and Synergetics boards of directors also agreed not to withdraw its recommendations relating to the merger agreement and the transactions contemplated thereby, unless such withdrawal is based primarily on a breach by the other party of any of its representations, warranties, covenants or agreements contained in the merger agreement.

Public Announcements

Valley Forge and Synergetics shall use their reasonable best efforts to develop a joint communication plan and each party shall use reasonable best efforts to ensure that all press releases other public statements with respect to the merger agreement or the transactions contemplated thereby comply with such joint communications plan.

However, Valley Forge and Synergetics may, without the prior consent of the other, issue a press release or make a public statement relating to the merger agreement or the transactions contemplated thereby if it determines that the press release or public statement is required by applicable law or the rules and regulations of the Nasdaq SmallCap Market or Boston Stock Exchange, and it has used all reasonable best efforts to consult with the other party regarding the timing, scope and content of any such press release or public statement.

Neither Valley Forge nor Synergetics will issue any press release or make any public statement with respect to the other party's business, financial condition or results of operation without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

Indemnification and Insurance

Under the terms of the merger agreement, for three years following completion of the merger, the certificate of incorporation and bylaws of Valley Forge (or any successor) will contain provisions with respect to indemnification and exculpation of directors, officers and employees that are at least as favorable as the indemnification and exculpation provisions contained in the Synergetics certificate of incorporation or bylaws or similar organizational documents as in effect before completion of the merger as well as those contained in the Valley Forge articles of incorporation in effect immediately before the merger.

For three years from completion of the merger, Valley Forge (or any successor) also will maintain the existing policy of Valley Forge's directors and officers' liability insurance covering claims arising from facts or events that occurred before the completion of the merger, including acts or omissions occurring in connection with the merger agreement and completion of the transactions contemplated thereby to the extent such acts or omissions are covered by the existing insurance policy, and covering each director and officer of Synergetics who was covered at the effective time of the merger on terms with respect to coverage and amounts no less favorable than those in effect on the date of the signing of the merger agreement.

Valley Forge Board of Directors after the Merger

Upon completion of the merger, the board of directors of New Synergetics shall be fixed at seven members. Two of the directors shall have served as directors of Synergetics before the merger; two of the directors shall have served as directors of Valley Forge before the merger; three new independent directors shall be elected by the Valley Forge shareholders as contemplated in this joint proxy statement/prospectus. As contemplated in this joint proxy statement/prospectus, the articles of incorporation of Valley Forge will be amended and restated to provide for three classes of directors, as nearly equal in size as practicable, with three-year staggered terms.

Reasonable Best Efforts to Complete the Merger

Under the terms of the merger agreement, each of Valley Forge and Synergetics has agreed to cooperate fully with the other and use its reasonable best efforts to take all actions, and to do all things necessary, proper or advisable to complete the merger and the other transactions contemplated by the merger agreement as soon as practicable after the date of the merger agreement, including:

preparing and filing all documentation to effect all necessary applications, notices, petitions, filings, tax ruling requests and other documents to obtain all consents, clearances, waivers, licenses, orders, registrations, approvals, permits, tax rulings and authorizations of any third party or governmental entity required to be obtained by Valley Forge or Synergetics in connection with the merger; and

taking all reasonable steps to obtain all such material consents, clearances, waivers, licenses, registrations, permits, authorizations, tax rulings, orders and approvals.

Additional Covenants of the Parties

Assignment of Malis® trademark

At or before the closing, pursuant to an option agreement, Dr. Malis, a director and shareholder of Valley Forge, shall assign and transfer to Valley Forge or the MergerSub all of his interest in and to the Malis® trademark currently used by Valley Forge and others as well as the right to use the name Malis® in connection with future medical instruments and products. Valley Forge or the MergerSub, as the case may be, shall register the assignment with the appropriate government offices.

Reincorporation of Valley Forge

Under the terms of the merger agreement, the reincorporation of Valley Forge from a Pennsylvania corporation to a Delaware corporation is required in order to complete the merger. If shareholders approve

the merger, but not the reincorporation merger, the Synergetics board of directors must waive this condition in order for the merger to proceed, in which case Valley Forge would remain a Pennsylvania corporation after the merger.

Supermajority director voting requirements

Until the 12-month anniversary of the date of closing, the following transactions with respect to New Synergetics and any of its subsidiaries and affiliates will require the affirmative vote of at least five members of the New Synergetics board of directors:

the issuance, authorization, or obligation to issue or authorize, any capital stock or instruments convertible or exercisable into capital stock, other than stock options granted to employees in connection with its stock option plan;

authorization or approval of any dividend (cash, stock or otherwise) or redemption rights, liquidation preferences, conversion rights or voting rights with respect to any capital stock;

amendments to the certificate of incorporation;

redemption or repurchase of any capital stock or instruments convertible or exercisable into capital stock;

effecting any merger, consolidation, change of control or reorganization;

adoption, amendment, restatement or modification of any employee stock plan or the terms of any benefit plans or the compensation of any executive officers;

entering into any transaction or agreement with any New Synergetics shareholder or any such shareholder's subsidiaries or affiliates;

entering into any line of business other than the design, manufacture and sale of medical devices and instruments as those terms are defined by the FDA;

effecting any acquisition of any business or material assets of any business;

incurring more than \$500,000 in excess of the indebtedness of New Synergetics at the closing; and

establishing or changing any representation on the audit or compensation committees of the board of directors.

Access to information

Each of Valley Forge and Synergetics has agreed to permit representatives of the other party to have full access to its properties, books, contracts, commitments and records. In addition, each of Valley Forge and Synergetics will furnish promptly information concerning its respective businesses, properties and personnel as the other party may reasonably request. Each of Valley Forge and Synergetics has agreed to keep all this information confidential and shall cause its directors, officers and employees and representatives or advisors who receive any portion of this information to keep it confidential, except as may otherwise be required by law.

Conditions to Obligations to Complete the Merger

Mutual conditions

The obligations of Valley Forge, MergerSub and Synergetics to effect the merger are subject to satisfaction or waiver of the following conditions:

approval of the issuance of an aggregate of 15,973,912 shares of Valley Forge common stock to the holders of Synergetics common stock pursuant to the merger agreement;

approval of the merger agreement, the merger and the transactions contemplated by the merger agreement by the Synergetics shareholders;

the holders of not more than 4.9% of the outstanding shares of Synergetics common stock have exercised dissenters' rights;

no provision of any applicable law or regulation and no judgment, injunction, order or decree prohibits or enjoins the consummation of the merger or the transactions contemplated by the merger agreement;

the SEC has declared the registration statement of which this joint proxy statement/ prospectus forms a part effective under the Securities Act, and no stop order or similar restraining order suspending the effectiveness of the registration statement of which this joint proxy statement/ prospectus forms a part is in effect and no proceedings for such purpose are pending before or threatened by the SEC;

all consents, clearances, approvals and actions of, filings with and notices to any governmental entity required in connection with the merger agreement and the transactions contemplated by the merger agreement, including the issuance of the shares of Valley Forge common stock, have been made or obtained, except for those the failure of which to be made or obtained would not be reasonably expected to have a material adverse effect on Valley Forge on MergerSub, after giving effect to the merger;

each of Gregg D. Scheller, Kurt W. Gampp, Jr. and Jerry L. Malis shall have entered into employment agreements with New Synergetics; and

each of Jerry L. Malis, Leonard I. Malis, Gregg D. Scheller and Kurt W. Gampp, Jr. shall have entered into the shareholders' agreement.

Conditions to obligations of Valley Forge and MergerSub

The obligations of Valley Forge and MergerSub to complete the merger and the transactions contemplated by the merger agreement are subject to the satisfaction or waiver, at or before the closing of the merger, of each of the following conditions:

the representations and warranties made by Synergetics in the merger agreement being true and correct in all material respects, except where the failure to be true and correct would not have a material adverse effect on Synergetics, as of the date of the merger agreement and as of the date of the closing of the merger (except to the extent in either case that such representations and warranties speak as of another date), and receipt by Valley Forge of a certificate signed by Synergetics' Chief Executive Officer to that effect;

all of the agreements and covenants of Synergetics being materially performed or complied with at or before the effective time of the merger and receipt by Valley Forge of a certificate signed by Synergetics' Chief Executive Officer to that effect;

Synergetics shall have delivered evidence reasonably satisfactory to Valley Forge that all employee benefit plans of Synergetics have been maintained in compliance in all material respects with all applicable laws;

the declaration of restrictions set forth in Synergetics' title insurance policy in connection with its owned real property shall not interfere in any material way with Synergetics' use or proposed use of such property;

the consummation of the merger shall not adversely affect in any material respect any of the tax benefits available to Synergetics immediately before the closing with respect to industrial revenue bonds issued in connection with the building and development of real property owned by Synergetics;

pending litigation existing as of the date of the merger agreement would not reasonably be expected to have a material adverse effect on Synergetics or, subsequent to the closing, New Synergetics;

there has not been any change in Synergetics that would reasonably be expected to have a material adverse effect on Synergetics and receipt by Valley Forge of a certificate signed by Synergetics' Chief Executive Officer to that effect;

receipt by Valley Forge of a legal opinion from counsel to Synergetics, dated as of the closing date of the merger, regarding certain general corporate and tax matters; and

receipt by Valley Forge of a subordination, non-disturbance and attornment agreement, in a form reasonably acceptable to Valley Forge, from the holders of any and all mortgages or the real property owned by Synergetics.

Conditions to obligations of Synergetics

The obligations of Synergetics to complete the merger and the transactions contemplated by the merger agreement are subject to the satisfaction or waiver, at or before the closing, of each of the following conditions:

the representations and warranties made by Valley Forge and MergerSub in the merger agreement being true and correct in all material respects, except where the failure to be true and correct would not have a material adverse effect on Valley Forge or New Synergetics as of the date of the merger agreement and as of the date of the closing of the merger (except to the extent in either case that such representations and warranties speak as of another date), and receipt by Synergetics of a certificate signed by Valley Forge's Chief Executive Officer to that effect;

all of the agreements and covenants and obligations of Valley Forge and MergerSub being complied with at or before the effective time of the merger and Synergetics having received a certificate signed by Valley Forge's Chief Executive Officer to that effect;

Valley Forge shall have delivered evidence reasonably satisfactory to Synergetics that all employee benefit plans of Valley Forge have been maintained in compliance in all material respects with all applicable laws;

Valley Forge shall have delivered evidence reasonably satisfactory to Synergetics that the Malis® trademark shall have been properly assigned and transferred to Valley Forge;

Valley Forge shall have delivered to Synergetics a final non-appealable order from the Superior Court, County of Maricopa, State of Arizona, approving a settlement and release agreement entered into in connection with the matter of Turner v. Valley Forge Scientific, et al., Court Action No. CV2002-100791;

there has not been any change in Valley Forge that would reasonably be expected to have a material adverse effect on Valley Forge and receipt by Synergetics of a certificate signed by Valley Forge's Chief Executive Officer to that effect;

Synergetics shall have received from its tax counsel an opinion to the effect that the merger will constitute a tax-free reorganization within the meaning of Section 368(a) of the Code and such opinion shall not have been withdrawn;

the seven nominees for director as proposed in this joint proxy statement/ prospectus shall have been elected by the Valley Forge shareholders and the New Synergetics board of directors shall have elected each of Juanita H. Hinshaw, Robert H. Dick and Larry C. Cardinale to the audit committee, compensation committee and nominating committee of New Synergetics;

the shares of Valley Forge common stock to be issued in connection with the merger shall have been authorized for listing on the Nasdaq Small Cap Market and Boston Stock Exchange;

receipt by Synergetics of a legal opinion from counsel to Valley Forge, dated as of the closing date of the merger, regarding general corporate and tax matters; and

receipt by Synergetics of an estoppel certificate executed by Dr. Malis in connection with the assumption of the Malis® trademark.

Termination; Break-Up Fees; Expenses

Termination

The merger agreement may be terminated in accordance with its terms at any time before completion of the merger, whether before or after the approval of the issuance of the shares of Valley Forge common stock to the Synergetics shareholders as contemplated by the merger agreement or before or after the approval of the merger agreement and the merger by the shareholders of Synergetics:

by mutual written agreement of Valley Forge, MergerSub and Synergetics;

by either Valley Forge, MergerSub or Synergetics, if the merger is not completed by 5:00 p.m. CST on September 30, 2005; provided, however, that no party may terminate the merger agreement on this basis if such terminating party has breached its obligations under the merger agreement;

by Valley Forge or MergerSub if (1) the representations and warranties of Synergetics shall not have been true and correct in all respects (in case of a representation or warranty containing a materiality qualification) or in all material respects (in the case of a representation or warranty without a materiality qualification) as of the date when made, (2) any of the conditions to be satisfied by Synergetics shall not have been, or if it becomes apparent that any such conditions will not be, fulfilled by 5:00 p.m. CST on September 30, 2005, unless such failure shall be due to the failure of MergerSub or Valley Forge to perform or comply with any of the covenants, agreements or conditions of the merger agreement to be performed or complied with by it before the closing or (3) Synergetics fails to perform or comply with any material covenant or agreement contained and such failure is not cured within 30 days of written notice to Synergetics; or

by Synergetics if (1) the representations and warranties of MergerSub or Valley Forge shall not have been true and correct in all respects (in the case of representation or warranty containing a materiality qualification) or in all material respects (in the case of a representation or warrant without a materiality qualification) as of the date when made, (2) any of the conditions to be satisfied by Valley Forge or MergerSub shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by 5:00 p.m. CST on September 30, 2005, unless such failure shall be due to the failure of Synergetics to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by them before the closing or (3) Valley Forge or MergerSub fails to perform or comply with any material covenant or agreement contained in the merger agreement and such failure is not cured within 30 days of written notice to Valley Forge and MergerSub.

Break-Up Fees

Under the terms of the merger agreement, Synergetics must pay a fee of \$1,000,000 to Valley Forge if Valley Forge terminates the merger agreement because (1) the representations and warranties of Synergetics were not true and correct in all respects (in the case of representation or warranty containing a materiality qualification) or in all material respects (in the case of a representation or warranty without a materiality qualification) as of the date when made, (2) Synergetics failed to perform or comply with any material covenant or agreement contained in the merger agreement and such failure was not cured within 30 days of written notice to Synergetics or (3) the Synergetics board of directors effects a withdrawal of its recommendation to Synergetics shareholders with respect to the merger (unless such withdrawal is based primarily on a breach by Valley Forge or MergerSub of any representation, warranty or covenant contained in the merger agreement).

Under the terms of the merger agreement, Valley Forge must pay a fee of \$1,000,000 to Synergetics if Synergetics terminates the merger agreement because (1) the representations and warranties of Valley Forge and MergerSub were not true and correct in all respects (in the case of representation or warranty containing a materiality qualification) or in all material respects (in the case of a representation or warranty without a materiality qualification) as of the date when made, (2) Valley Forge or MergerSub failed to perform or comply with any material covenant or agreement contained in the merger agreement and such failure was not cured within 30 days of written notice to Synergetics or (3) the Valley Forge board of directors effects a withdrawal of its recommendation to Valley Forge shareholders with respect to the merger (unless such withdrawal is based primarily on a breach by Synergetics of any representation, warranty or covenant contained in the merger agreement).

Expenses

Except as provided above, all fees and expenses incurred in connection with the merger will be paid by the party incurring the fees or expenses, whether or not the merger is completed, other than expenses incurred in connection with filing, printing and mailing this joint proxy statement/ prospectus, which will be shared equally by Valley Forge and Synergetics.

Binding Arbitration

Valley Forge and Synergetics have agreed that the sole and exclusive remedy to settle all claims, demands, disputes, controversies, differences or misunderstandings arising between or among them shall be binding arbitration. In addition to other relief to which it is entitled, the prevailing party shall be entitled to recover reasonable attorneys fees and other expenses incurred in connection with the arbitration or related legal proceedings.

The Voting Agreements; Shareholders Agreement

Valley Forge voting agreement

Jerry L. Malis, Leonard I. Malis and certain of their other interests and the Frances W. Gilloway Trusts, in their capacities as shareholders of Valley Forge, have entered into a voting agreement with Valley Forge and Synergetics, agreeing to vote all of their respective shares of Valley Forge common stock, including shares of Valley Forge common stock acquired after the date of the voting agreement, as follows:

in favor of the adoption and approval of the merger agreement, and in favor of each of the other actions contemplated by the merger agreement and any action required to further the merger or these actions;

against (1) approval of any proposal made in opposition to, or in competition with, the completion of the merger and the transactions contemplated under the merger agreement, (2) any merger, consolidation or other similar transaction with any other party, (3) liquidation or winding up of Valley Forge and (4) any matter which could, or reasonably be expected to, discourage the merger;

in favor of the reincorporation merger;

in favor of amending and restating the articles of incorporation of Valley Forge to (1) increase the number of authorized shares of Valley Forge common stock from 20,000,000 shares to 50,000,000 shares, (2) increase the number of directors on the Valley Forge board of directors to seven and (3) divide the Valley Forge board of directors into three classes, as nearly equal in size as practicable, with three-year staggered terms; and

in favor of the election of Juanita H. Hinshaw, Robert H. Dick, Larry C. Cardinale, [], Jerry L. Malis, Gregg D. Scheller and Kurt W. Gampp, Jr. as directors.

Each of these shareholders has also granted to Synergetics an irrevocable proxy to vote the shares of Valley Forge common stock subject to the voting agreement in accordance with its terms. The voting agreement and irrevocable proxies terminate upon the earlier of the termination of the merger agreement

or the effective time of the merger. As of May 2, 2005, these shareholders owned and were entitled to vote 2,694,893 shares of Valley Forge common stock, collectively representing approximately 34% of the shares of Valley Forge common stock outstanding on that date.

The voting agreements generally prohibit the signing shareholders from selling or disposing of any shares or options of Valley Forge common stock beneficially owned by the signing shareholders, unless the transferee agrees to be bound by the terms and conditions of the voting agreement.

Synergetics voting agreement

Gregg D. Scheller, Kurt W. Gampp, Jr. and Earl F. Neely and certain of their trusts and affiliates, in their capacities as shareholders of Synergetics, have entered into a voting agreement with Valley Forge and Synergetics, agreeing to vote all of their shares of Synergetics common stock, including shares of Synergetics common stock acquired after the date of the voting agreements, as follows:

in favor of the adoption and approval of the merger agreement, and in favor of each of the other actions contemplated by the merger agreement and any action required to further the merger or these actions; and

against (1) approval of any proposal made in opposition to, or in competition with, the completion of the merger and the transactions contemplated under the merger agreement, (2) any merger, consolidation or other similar transaction with any other party, (3) liquidation or winding up of Synergetics and (4) any matter which could, or reasonably be expected to, discourage the merger.

Each of these shareholders has also granted to Valley Forge an irrevocable proxy to vote the shares of Synergetics common stock subject to the voting agreements in accordance with its terms. The voting agreement and irrevocable proxies terminate upon the earlier of the termination of the merger agreement or the effective time of the merger. As of May 2, 2005, these shareholders owned and were entitled to vote 650,088 shares of Synergetics common stock, collectively representing approximately 19% of the shares of Synergetics common stock outstanding on that date.

The voting agreements generally prohibit the signing shareholders from selling or disposing of any shares or options of Synergetics common stock beneficially owned by the signing shareholders, unless the transferee agrees to be bound by the terms and conditions of the voting agreement.

Shareholders agreement

Each of Gregg D. Scheller, Kurt W. Gampp, Jr., Jerry L. Malis and Leonard I. Malis have agreed to enter into a shareholders agreement at the closing. Pursuant to the shareholders agreement, subject to certain customary exceptions, the foregoing shareholders will agree not to sell, assign, transfer, pledge, hypothecate, mortgage or otherwise dispose of any shares of Valley Forge common stock beneficially owned by them for a period of twelve months following the closing. In addition, for a period of twelve months following the closing, such shareholders will agree to certain co-sale rights under the shareholders agreement, including:

tag along rights, whereby a shareholder selling 5% or more of his shares will provide notice to the other shareholders and provide such shareholders an opportunity to participate in such transaction; and

drag along rights, whereby shareholders holding at least two-thirds of the shares subject to the shareholders agreement may require the other shareholders to sell their shares to a purchaser in connection with the sale of equity representing two-thirds of the voting power of New Synergetics or a sale of all or substantially all of its assets.

The shareholders agreement will terminate on the 12-month anniversary of the date of the closing.

**UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL STATEMENTS**

On May 2, 2005, Valley Forge and Synergetics entered into the merger agreement, for a transaction to be accounted for as a purchase under accounting principles generally accepted in the United States. Reference should be made to the accompanying Notes to Unaudited Pro Forma Condensed Combined Balance Sheet for a description of a summary of the accounting for the merger.

As noted above, the merger will be accounted for using the purchase method of accounting. Accordingly, the pro forma adjustments are based on certain assumptions and estimates regarding the fair value of assets acquired and liabilities assumed and the amount of goodwill that will arise from the merger, and the period over which such purchase accounting adjustments will be amortized. The amount of goodwill to be recorded as of the merger date represents the best estimate of the fair value of Valley Forge on the date the merger was announced, adjusted for the fair value of assets acquired and liabilities assumed based on information available as of the date hereof, as well as all merger and related costs. The actual goodwill arising from the acquisition will be based on the difference between the cost and the fair value of the assets and liabilities on the date the merger is consummated and adjusted for all charges pertaining to the merger. No assurance can be given that actual goodwill will not be more or less than the estimated amount reflected in the pro forma financial statements.

The unaudited pro forma condensed combined financial information is based on a number of other assumptions and estimates, and is subject to a number of other uncertainties, relating to the merger and related matters, including among other things, estimates, assumptions and uncertainties regarding (i) the amount of accruals for direct acquisition costs and the amount of expenses associated with settlement of existing contracts, severance pay and other costs relating to the merger, (ii) as noted above, the actual amount of goodwill which will result from the merger and (iii) the fair values of certain assets and liabilities which are sensitive to assumptions and market conditions. Accordingly, the unaudited pro forma condensed combined financial information does not purport to be indicative of the actual results of operations or financial condition that would have been achieved had the merger in fact occurred on the dates indicated, nor does it purport to be indicative of the results of operations or financial condition that may be achieved in the future. In addition, the consummation of the merger is subject to satisfaction of a number of conditions, and no assurance can be given that the merger will be consummated on the currently anticipated terms or at all.

The following unaudited pro forma condensed financial statements with respect to Synergetics and its subsidiaries and Valley Forge and its subsidiary include historical financial data based on their historical consolidated financial statements included elsewhere in this joint proxy statement/prospectus. The historical consolidated financial statements used for Synergetics were their audited year-end July 31, 2004 and their unaudited six months ended January 31, 2005. The historical consolidated financial statements used for Valley Forge were their audited year-end September 30, 2004 and their unaudited six months ended March 31, 2005. Set forth below are the unaudited pro forma financial statements:

the unaudited pro forma condensed combined balance sheet assuming the merger between Valley Forge and Synergetics occurred as of the balance sheet dates presented; and

the unaudited pro forma condensed combined statement of income for the six months ended January 31, 2005, for Synergetics, and six months ended March 31, 2005, for Valley Forge, assuming the merger between Synergetics and Valley Forge occurred as of the beginning of the periods presented; and

the unaudited pro forma condensed combined statement of income for the year ended July 31, 2004, for Synergetics, and for the year ended September 30, 2004, for Valley Forge, assuming the merger between Synergetics and Valley Forge occurred as of the beginning of the periods presented.

The unaudited pro forma condensed combined financial statements are presented for informational purposes only, are based on certain assumptions that we believe are reasonable and do not purport to

represent our financial condition nor results of our operations had the merger occurred on or as of the dates noted above or to project results for any future date or period. In the opinion of management, all adjustments have been made that are needed to present fairly the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed financial information should be read in conjunction with the audited consolidated financial statements and unaudited condensed consolidated financial statements and related attached notes, included elsewhere in this joint proxy statement/prospectus, and the information set forth in both

SYNERGETICS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS and VALLEY FORGE MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS beginning on page 93 and 117, respectively.

Unaudited Pro Forma Condensed Combined Balance Sheet

	Synergetics, Inc. and Subsidiaries, January 31, 2005	Valley Forge Scientific Corp. and Subsidiary, March 31, 2005	Pro Forma Adjustments	Pro Forma Combined
ASSETS				
Cash and cash equivalents	\$ 816,789	\$ 2,647,334	\$	\$ 3,464,123
Accounts receivable	2,844,280	837,704		3,681,984
Inventories	6,602,532	736,115	50,000(c)	7,388,647
Other current assets	373,823	278,507		652,330
Total current assets	10,637,424	4,499,660	50,000	15,187,084
Property and equipment	4,538,703	180,952	575,000(d)	5,294,655
Other assets		28,739		28,739
Goodwill		153,616	(153,616)(b)	10,723,306
			10,723,306(h)	
Intangible assets	390,626	198,050	6,500,000(e)	8,588,676
			1,500,000(g)	
Total assets	\$ 15,566,753	\$ 5,061,017	\$ 19,194,690	\$ 39,822,460
LIABILITIES AND STOCKHOLDERS EQUITY				
Current maturities of notes and revenue bonds payable	\$ 525,422	\$	\$ 410,000(f)	\$ 935,422
Accounts payable, accrued expenses and income taxes payable	2,193,528	657,394		2,850,922
Total current liabilities	2,718,950	657,394	410,000	3,786,344
Long-term liabilities, excluding deferred taxes	3,276,530		2,775,000(f)	6,051,530
Deferred income taxes	277,000	15,313	2,025,000(i)	2,317,313
Stockholders equity	9,294,273	4,388,310	13,984,690	27,667,273
Total liabilities and stockholders equity	\$ 15,566,753	\$ 5,061,017	\$ 19,194,690	\$ 39,822,460

See Notes to Unaudited Pro Forma Condensed Combined Balance Sheet.

Notes to Unaudited Pro Forma Condensed Combined Balance Sheet

On May 2, 2005, Valley Forge and Synergetics entered into the merger agreement, for a transaction to be accounted for as a purchase under accounting principles generally accepted in the United States. Pursuant to the merger agreement, a wholly-owned subsidiary of Valley Forge (MergerSub) will be merged with and into Synergetics, and Valley Forge will issue 15,973,912 shares of its common stock for all of Synergetics outstanding shares of common stock. For accounting purposes, the merger is considered a reverse acquisition application of the purchase method of accounting by Valley Forge, under which Synergetics is considered to be acquiring Valley Forge. Accordingly, the purchase price is allocated among the fair values of the assets and liabilities of Valley Forge, while the historical results of Synergetics are reflected in the results of the combined company. The approximate 7.9 million shares of Valley Forge common stock outstanding at the date of the merger agreement, and the outstanding Valley Forge options, are considered as the basis for determining the consideration in the reverse merger transaction. Based on the outstanding shares of Synergetics common stock at the date of the merger agreement, each share of Synergetics common stock will be exchanged for approximately 4.6 shares of newly issued Valley Forge common stock. The final exact exchange ratio cannot be determined at this time because the number of outstanding shares of Synergetics may change prior to the merger. The ratio at the close of the merger will be based on the 15,973,912 shares of Valley Forge common stock as a percentage of the then outstanding Synergetics common stock.

In addition, each Synergetics stock option that is outstanding on the closing date will be converted to Valley Forge options by multiplying the Synergetics options by the same ratio described above. The new exercise price will also be determined by dividing the old exercise price by the same ratio. Each of these options will be subject to the same terms and conditions that were in effect for the related Synergetics options. Synergetics shareholders will own 15,973,912 shares of common stock of Valley Forge, or approximately 66%, of the fully diluted capitalization of the combined company immediately following the merger.

The unaudited pro forma condensed combined financial statements reflect the merger of Synergetics with Valley Forge as a reverse merger wherein Synergetics is deemed to be the acquiring entity from an accounting perspective. Under the purchase method of accounting, Valley Forge's approximate 7.9 million outstanding shares of common stock and its stock options were valued using the average closing price for its common stock of \$2.16 per share for the two days prior to through the two days subsequent to the merger transaction announcement date of May 3, 2005. The fair value of the Valley Forge outstanding stock-options were determined using the Black Scholes option pricing model. The preliminary estimated consideration is as follows:

Issuance of Valley Forge shares (approximately 7.9 million shares at \$2.16)	\$	17,125,000
Estimated fair value of stock options		748,000
Estimated transaction costs		500,000
	\$	18,373,000

The consideration was allocated on a preliminary basis as follows:

(a)	Valley Forge historical carrying value of net assets	\$ 4,388,310
(b)	Elimination of Valley Forge's historical goodwill	(153,616)
(c)	Adjust inventory to market value	50,000
(d)	Estimate of adjustment of property and equipment to fair value	575,000
(e)	Estimated fair value of trademark, intangible	6,500,000
(f)	Note payable in conjunction with the exercise of option to acquire rights to trademark	(3,185,000)
(g)	Estimated fair value of identifiable intangible assets	1,500,000
(h)	Estimated goodwill	10,723,306
(i)	Estimated deferred income taxes, net	(2,025,000)
		\$ 18,373,000

The final determination of the purchase price allocation will be based on the fair values of the assets and the fair value of liabilities assumed at the date of the closing of the merger. The purchase price will remain preliminary until New Synergetics is able to finalize its valuation of significant intangible assets acquired and adjust the fair value of the other assets and liabilities acquired. The final determination of the purchase price allocation is expected to be completed as soon as practicable after the date of the closing of the merger. Once the merger is complete, the final amounts allocated to assets and liabilities acquired could differ significantly from the amounts presented in the unaudited pro forma condensed combined balance sheet and related notes. Upon the closing of the merger, New Synergetics' long-lived assets will be subject to a recoverability test under the applicable accounting rules.

We have not completed an assessment of the fair market value of the assets and liabilities of Valley Forge and the related business integration plans. The assessment will not be completed until the full review of assets has been completed. We expect that the final purchase price allocation will include adjustments to the fair values of depreciable tangible assets, identifiable intangible assets (some of which may have indefinite lives) and liabilities. Our preliminary estimate of the fair value of the identifiable intangible assets is \$8,000,000. The fair value of the Malis® trademark was estimated at \$6,500,000 and is considered to be an indefinite-lived intangible. Approximately \$1,500,000 has been allocated to customer and vendor lists whose life is estimated to be approximately 15 years.

The Malis® trademark will be obtained by Valley Forge exercising its option on the trademark prior to the closing of this transaction. Upon exercising the option, Dr. Malis will be paid \$4,157,504, which includes interest, in twenty-six equal quarterly installments of \$159,904, and which will be evidenced by a promissory note secured by a security interest in the trademark and certain other Valley Forge patents.

Unaudited Pro Forma Condensed Combined Statement of Income

	Synergetics, Inc. and Subsidiaries, Six Months Ended January 31, 2005	Valley Forge Scientific Corp. and Subsidiary Six Months Ended March 31, 2005	Pro Forma Adjustments	Pro Forma Combined
Sales	\$ 10,321,569	\$ 3,228,405	\$	\$ 13,549,974
Cost of sales	3,675,198	1,482,781	50,000(a) 41,000(b)	5,248,979
Gross profit	6,646,371	1,745,624	(91,000)	8,300,995
Operating expenses				
Selling, general and administrative	4,936,765	1,023,026	(82,236)(c) 50,000(d)	5,927,555
Research and development	361,187	346,445		707,632
	5,297,952	1,369,471	(32,236)	6,635,187
Operating income	1,348,419	376,153	(58,764)	1,665,808
Other income (expense), net	(104,834)	(133,076)	(120,000)(e)	(357,910)
Pre-tax income	1,243,585	243,077	(178,764)	1,307,898
Provision for income taxes	448,765	104,193	(66,500)(f)	486,458
Net income	\$ 794,820	\$ 138,884	\$ (112,264)	\$ 821,440
Earnings per share:				
Basic	\$ 0.23	\$ 0.02		\$ 0.03
Diluted	\$ 0.23	\$ 0.02		\$ 0.03
Basic weighted average shares	3,412,614	7,913,712		23,887,624
Diluted weighted average shares	3,425,295	7,967,048		23,940,960

See Notes to Unaudited Pro Forma Condensed Combined Statements of Income.

Unaudited Pro Forma Condensed Combined Statement of Income

	Synergetics, Inc. and Subsidiaries, Year Ended July 31, 2004	Valley Forge Scientific Corp. and Subsidiary Year Ended September 30, 2004	Pro Forma Adjustments	Pro Forma Combined
Sales	\$ 16,887,378	\$ 4,756,439	\$	\$ 21,643,817
Cost of sales	6,514,120	2,316,304	50,000(a)	8,962,424
			82,000(b)	
Gross profit	10,373,258	2,440,135	(132,000)	12,681,393
Operating expenses				
Selling, general and administrative	7,886,014	1,753,794	100,000(d)	9,739,808
Research and development	796,916	508,287		1,305,203
	8,682,930	2,262,081	100,000	11,045,011
Operating income	1,690,328	178,054	(232,000)	1,636,382
Other income (expense), net	(176,153)	23,030	(230,000)(e)	(383,123)
Pre-tax income	1,514,175	201,084	(462,000)	1,253,259
Provision for income taxes	420,600	89,664	(137,200)(f)	373,064
Net income	\$ 1,093,575	\$ 111,420	\$ (324,800)	\$ 880,195
Earnings per share:				
Basic	\$ 0.32	\$ 0.01		\$ 0.04
Diluted	\$ 0.32	\$ 0.01		\$ 0.04
Basic weighted average shares	3,401,184	7,913,712		23,887,624
Diluted weighted average shares	3,413,866	7,976,833		23,950,745

See Notes to Unaudited Pro Forma Condensed Combined Statements of Income.

Notes to Unaudited Pro Forma Condensed Combined Statements of Income

Reference should be made to the accompanying Notes to Unaudited Pro Forma Condensed Combined Balance Sheet for a description of a summary of the accounting for the merger.

- a) To record \$50,000 for the six months period and \$50,000 for the annual period of additional cost of goods sold resulting from the adjustment to Valley Forge's inventories based on the adjustment of such assets to fair value as discussed in Note (c) of the Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet. We have assumed a six month life for the finished goods inventories.
- b) To record \$41,000 for the six months period and \$82,000 for the annual period of additional depreciation expense resulting from the adjustment to Valley Forge's property and equipment based on the adjustment of such assets to fair value as discussed in Note (c) of the Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet. We have assumed a remaining life of 7 years for the property and equipment, which is in accordance with our capitalization policies.
- c) To eliminate Valley Forge's one-time merger related professional fees as these would not have been expensed once the purchase price allocation is complete.
- d) To record \$50,000 for the six months period and \$100,000 for the annual period of amortization expense resulting from the adjustment to Valley Forge's identifiable intangible assets based on the adjustment of such assets to fair value as discussed in Note (a) of the Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet. We expect that the ultimate purchase price allocation will include adjustments to the fair values of identifiable intangible assets (some of which will have indefinite lives). For purposes of the amortization expense recorded above, we have allocated approximately \$1,500,000 to definitive life intangibles such as customer lists and vendor lists among others and we have assumed a 15 year average useful life.
- e) To record interest expense on the note payable (at an 8% imputed interest rate) assumed in conjunction with the exercise of the option agreement with respect to the Malis® trademark.
- f) Represents the aggregate pro forma statutory tax effect (37.2% for the six months period and 29.7% for the annual period) of notes a-e above.
- g) Certain reclassifications have been made to the historical presentation of Synergetics and Valley Forge financial statements, in order to conform to the presentation used in an unaudited pro forma condensed consolidated balance sheet.

INFORMATION ABOUT SYNERGETICS

Overview

Synergetics is a corporation organized on August 8, 1991, under the General and Business Corporations Law of the State of Missouri. Synergetics designs, manufactures and markets precision engineered microsurgical instruments for use in vitreoretinal surgery and neurosurgical applications. Vitreoretinal surgery is generally surgery performed on the most rearward portion of the eye surrounding the retina. Synergetics also develops and manufactures a specialized line of ophthalmic products as well as a complementary line of precision crafted neurosurgical instruments, capital equipment and disposables.

The ophthalmic family of products includes vitreoretinal instruments, fiberoptic endoilluminators, laser probes, Diamond Dusted Membrane Scrapers (DDMS™), illumination equipment under the PHOTON™ brand and laser equipment. Working closely with leading vitreoretinal surgeons, we have developed, patented and manufactured proprietary instruments meeting the needs of our customers for newer and higher quality products. Synergetics also offers a rapid return instrument repair service.

Synergetics neurosurgical products evolved out of our early success with vitreoretinal surgical instruments. Through constant refinement and continuing investment in research and development, we have developed a line of precision crafted neurosurgical instruments. Synergetics designs and manufactures specialized micro forceps, scissors, dissectors and procedure-driven products utilized in skull-based neurosurgery. In addition, we are the exclusive United States and Canadian distributor of the Sonopet Omni® (Omni®) ultrasonic aspirator used for tumor removal, bone removal and resection. Since its introduction in 2003, we have sold and delivered a number of Omni® units in the United States, but we believe that we have just begun to penetrate the United States and Canadian markets for this product. In addition to our efforts to expand the installed base of Omni® units, we are working to expand our disposables and follow-on product offerings. Working jointly with leading neurosurgeons, we have developed, are in the process of obtaining patents for and are manufacturing proprietary disposable ultrasonic tips and tubing sets for use with the Omni® ultrasonic aspirator. We expect these new offerings will expand and enhance the Omni® product category.

Combination with Valley Forge

The medical device industry is characterized by several large dominant companies with significant resources, including financial, marketing, sales, distribution, research and development and manufacturing resources, as well as numerous small companies seeking adequate distribution channels and the means to achieve the critical mass to secure market share and thrive economically. By combining with Valley Forge, Synergetics has taken what it believes to be a significant step toward achieving the additional critical mass needed for continued growth and profitability for our shareholders. Following consummation of the merger, we will design and manufacture Valley Forge's products for the neurosurgery and other specialty medical markets. In addition, New Synergetics will acquire the Malis® trademark, which is widely recognized and respected in the neurosurgery field.

Our goal is to become a global leader in the development, manufacture and marketing of precision engineered microsurgical instruments, capital equipment and devices for use in vitreoretinal surgery and neurosurgical applications and to grow our product lines in other specialty surgical markets. Our combination with Valley Forge is a significant component of our strategy toward achieving these goals. Our strategy includes:

introducing new technology that can be easily differentiated from our competition by capitalizing on our combined successes in delivering minimally invasive products that enable concentrated application to a surgical area with decreased impact beyond the specific desired surgical effects, resulting in improved recovery times and shorter hospital stays;

identifying microsurgical niches that may offer the prospect for substantial growth and higher profit margins and that allow us an opportunity to build upon our existing technologies, such as expanding

the use of our products in ENT (ear, nose and throat), plastic surgery and other forms of microsurgery;

accelerating our international growth by continuing to build on our recent successes supported by Valley Forge's long-established relationships and reputation in global markets;

combining the breadth and depth of knowledge, experience and resources in Valley Forge's and Synergetics existing research and development groups to form a new combined research and development capability aligned to deliver precision engineered instruments based on our own proprietary technologies and innovations;

branding and marketing a substantial portion of our neurosurgical products with the Malis® trademark;

developing hybrid direct sales/independent sales agent distribution channels to assure that our products and benefits are seen by those making or influencing the purchasing decisions;

growing our disposables revenue by focusing on the development of a full offering of disposable adjuncts, such as instruments, adapters and fiber optics, to our capital equipment offerings and emphasizing disposables designed to eliminate hospital repair costs and minimize patient-to-patient disease transfer; and

exploring opportunities for growth through strategic partnering with other companies with complimentary products and technology to facilitate strategic growth in our defined niche markets.

Synergetics Products and Services

Ophthalmic and Vitreoretinal Surgical Market

Synergetics was founded in 1991 by Gregg D. Scheller and Kurt W. Gampp, Jr., who today serve as President and Chief Executive Officer and Chief Operating Officer, respectively. Both had prior experience in the ophthalmic area before forming Synergetics. Synergetics initially engineered and produced prototype instruments designed to assist retinal surgeons in treating acute subretinal pathologies such as histoplasmosis and Age-Related Macular Degeneration (ARMD). Synergetics developed a number of specialized lines of finely engineered microsurgical instruments, which today have grown to comprise a product catalogue of over 700 retinal surgical items.

Our business continues to grow and evolve as new, minimally invasive surgical techniques are pioneered by leading vitreoretinal surgeons. As microsurgical instruments grow ever smaller, new endoillumination technology is required to assist surgeons in this field. Synergetics was an early developer of cutting edge endoillumination and continues to be a leader in the marketplace in the design, manufacture and marketing of laser probes and fiberoptic endoilluminators. Our innovative Diamond Dusted Membrane Scrapers (DDMS™) are market leaders while our vitreoretinal instruments, endoillumination generation equipment and laser equipment continue our tradition of superior product design and innovation.

We are a leading supplier of 25 gauge instrumentation to the ophthalmic surgical market. These microsurgical instruments enable surgeons to make smaller incisions, however, their use limits the amount of light that can be delivered to the surgical field using traditional light sources. We engineered a solution, using smaller fibers, that is capable of safely and efficiently delivering up to eight times more light to the surgical field than traditional light sources. At the same time, the device can deliver concentrated laser energy to the site to provide endophotocoagulation. This technology was introduced to operating rooms across the world with Synergetics' release in July 2004 as our PHOTON™ xenon light sources for vitreoretinal illumination. These generators produce high output light and pass laser energy through the devices, which is delivered coaxially to the surgical site through ultra-fine fiber optic fibers. The PHOTON™ device's ability to deliver both laser energy and vitreoretinal illumination through the same fiber line is unique to the PHOTON™ device and distinguishes it from other xenon laser light sources in the marketplace. We believe the PHOTON™ device will continue to gain acceptance in the ophthalmic

surgical market as demand increases for 25 gauge instrumentation used in connection with minimally invasive surgical techniques.

In addition, as a significant component of its ophthalmic surgery business, Synergetics offers repair services for its instruments as well as for instruments manufactured by its competitors. Synergetics' skilled instrument makers enable it to receive, repair and express-ship return most domestic instrument repair projects within 24 hours.

Neurosurgery Market

There are an estimated 6,800 Board Certified Neurological Surgeons worldwide. Neurological surgery is a medical specialty dealing with disorders of the brain, skull, spinal cord, cranial and spinal nerves, the autonomic nervous system and the pituitary gland. It is estimated that approximately 200,000 cranial procedures are performed each year in the United States, including over 51,000 craniotomies for tumor removal. In addition, over 500,000 spine surgery procedures are performed annually in the United States, and a total of over one million such procedures are performed worldwide.

A prominent use of both the bipolar electrosurgical instrumentation and the Omni® ultrasonic aspirator in neurosurgery is tumor removal, although the bipolar electrosurgical instrument is used in virtually every neurosurgical procedure. There are over 100 different types of brain tumors, and more than 180,000 Americans are diagnosed with brain tumors each year. The most common brain tumors in adults are glioblastoma, meningioma and oligodendroglioma. Approximately 2,200 children are also diagnosed with a brain tumor each year, with the most common being medulloblastoma and astrocytoma.

The merger will provide Synergetics with a complementary neurosurgery product line as well as an industry recognized and respected brand name in the Malis® trademark. In intracranial neurosurgery, a bipolar electrosurgical system is the modality of choice, largely due to the efforts of Dr. Leonard I. Malis, who designed and developed the first commercial bipolar coagulator in 1955, and pioneered the use of bipolar electrosurgery for use in the brain. Competing technologies require electrical conduction through the central nervous system. Each bipolar neurosurgical procedure performed by a neurosurgeon also requires handheld instruments to cut, divide and dissect tissue and coagulate blood vessels. In addition, the neurosurgeon often needs to connect that instrument via a common connection with a cord/tubing set to the bipolar generator and irrigation unit to provide fluid to the surgical site. We believe our experience in these areas will enable us to expand our existing products to complement and enhance the performance of the Valley Forge bipolar electrosurgical system.

Management believes that our Omni® ultrasonic aspirator, developed and manufactured in Japan by Miwatec Co., Ltd., a wholly-owned subsidiary of Mutoh Corporation of Japan and sold in the United States and Canada under our branding, will emerge as a product of choice for ultrasonic tumor aspiration as well as intracranial bone removal. The Omni® ultrasonic aspirator uses ultrasonic waves to cut, emulsify and divide tissue, tumors and even bone. It then aspirates, suctioning the emulsified tissue out of the surgical field. Employing patent-pending ultrasonic tips, developed by Miwatec and Synergetics in consultation with leading neurosurgeons, the Omni® ultrasonic aspirator allows us to offer features and benefits that we believe will maintain an edge over the competition. We believe the Omni® ultrasonic aspirator will complement well the bipolar electrosurgical system manufactured by Valley Forge, providing both products with greater prominence in surgical theaters worldwide.

Manufacturing and Supplies

We design, manufacture and assemble most of our ophthalmic and neurosurgical products in our facility in St. Charles, Missouri. The Omni® ultrasonic aspirator is manufactured in Japan by Miwatec Co., Ltd. The bipolar generators and irrigation systems will be assembled at the Valley Forge facility in the suburbs of Philadelphia, Pennsylvania. Our products are assembled from raw materials and components supplied to us by third parties. Most of the raw materials and components we use in the manufacture of our products are available from more than one supplier. For some components, however, there are

relatively few alternate sources of supply, and we rely upon single source suppliers or contract manufacturers. For example, we currently obtain our PHOTON[™] lamps from a single manufacturer. Our profit margins and our ability to develop and deliver such products on a timely basis may be adversely affected by the lack of alternative sources of supply in the required timeframe.

Our manufacturing process is subject to the regulatory requirements of the Federal Good Manufacturing Practice Regulations as promulgated by the FDA, as well as other regulatory requirements of the FDA, which mandate detailed quality assurance and record-keeping procedures and subject us to unscheduled periodic regulatory inspections. We conduct quality assurance audits throughout the manufacturing process and believe that we are in compliance with all applicable government regulations. We have also voluntarily chosen to subject ourselves to the audit procedures established by the International Standards Organization (ISO), the world's largest developer of standards. The ISO 9000 family of standards applicable to our manufacturing operations is primarily concerned with quality management, meaning what we do to fulfill our customers' quality requirements and meet applicable regulatory requirements.

In January 2005, we commenced construction of a 27,000 square foot addition to our 33,000 square foot principal manufacturing facility and headquarters building in St. Charles, Missouri. Substantial completion of the addition is projected for September 2005, with occupancy expected in the calendar fourth quarter of 2005. Manufacturing and general business operations are not expected to be negatively affected by the construction of the addition, and we believe that this new facility will enhance and render our operations more efficient.

Marketing and Sales

Ophthalmic and Vitreoretinal Surgical Market

In the United States and Canada, over a number of years, we have assembled a dedicated sales and marketing team. In the United States and Canada, our team sells our ophthalmic and vitreoretinal surgical products directly to end-users employing a dedicated staff of 17 sales and marketing professionals. We offer over 700 separate catalogue items in the ophthalmic and vitreoretinal surgical markets. Our ophthalmologic and vitreoretinal products include vitreoretinal instruments, fiber optic endoilluminators, laser probes, Diamond Dusted Membrane Scrapers (DDMS[™]), illumination equipment under the PHOTON[™] brand and laser equipment. Synergetics' sales representatives also offer a rapid return instrument repair service.

Internationally, we utilize a hybrid sales network comprised of direct sales representatives and distribution agreements with independent representatives to sell and distribute our ophthalmic and vitreoretinal surgical products. We presently have six international sales employees and are represented by approximately 40 foreign distributors. Our ophthalmic and vitreoretinal surgical products are offered for sale in approximately 70 countries outside the United States. We believe there are numerous opportunities to expand our dedicated sales force internationally and to fully exploit our United States direct sales model.

Neurosurgery Market

Both domestically and internationally, we utilize a hybrid sales network comprised of direct sales representatives and independent representatives to sell and distribute our neurosurgical products. Concurrent with the announcement of the merger, we initiated a comprehensive reorganization of our ophthalmic and neurosurgical marketing and sales management teams. This initiative is designed to draw on our broad sales and marketing expertise developed over the years in the vitreoretinal surgical arena. We believe the sales model we have successfully employed in the ophthalmic and vitreoretinal surgical marketplace will translate well to the neurosurgery market and offer us expanded opportunities for sales growth both domestically and internationally.

Competition

We believe that the principal factors influencing the selection of a vitreoretinal or neurosurgical instrument or device are product features, quality, safety, ease of use, price, acceptance by leading physicians and other clinical benefits. We believe that our precision engineering and innovation, our in-house manufacturing capabilities, our rapid return instrument repair service and our relationships with leading practitioners distinguish our products from similar products sold by other entities.

Ophthalmic and Vitreoretinal Surgical Market

Our ophthalmic and vitreoretinal surgical instruments and disposables compete against manufacturers of similar products, including those sold by Alcon, Iridex, Bausch & Lomb and Dutch Ophthalmics. Our PHOTON™ xenon light source competes against manufacturers of similar products, including those sold by Alcon. In addition, our products compete with smaller specialized companies and larger companies that do not otherwise focus on ophthalmic and vitreoretinal surgery. Our products also compete with other technologies. Many of our ophthalmic devices are patented or have patents pending.

Neurosurgery

In neurosurgery, we develop, design and manufacture precision engineered microsurgical instruments. Our Omni® ultrasonic aspirator and our proprietary and patent-pending ultrasonic tip designs offer product features, quality, safety and unique intracranial bone cutting capabilities unique in the industry. Our Omni® ultrasonic aspirator competes against the manufacturer of the CUSA ultrasonic system, the Valleylab Radionics division of Tyco International Ltd. Our neurosurgical instruments and disposables compete against manufacturers of similar products, including those sold by Integra Neurosciences. In addition, our products compete with smaller specialized companies and larger companies that do not otherwise focus on neurosurgery. Our products also compete with other technologies, such as lasers, handheld instruments and a variety of tissue removal systems designed for removing skull-based tumors.

Research and Development

Our research and development primarily focuses on developing new products based on our proprietary Omni® and PHOTON™ technology and our expertise in vitreoretinal surgery and neurosurgery. We are continually engineering new products and instrumentation as well as enhancements to existing products to meet the needs of surgeons in various surgical disciplines. We have entered into consultation arrangements with leading ophthalmic surgeons Carl Awh, M.D. and David Chow, M.D. Both Dr. Awh and Dr. Chow specialize in vitreoretinal procedures. In neurosurgery, we have worked closely with Robert F. Spetzler, M.D. to develop microsurgical instruments and ultrasonic tips used with our Omni® ultrasonic aspirator. Dr. Spetzler is Director of Barrow Neurological Institute in Phoenix where he specializes in cerebrovascular disease and skull-based tumors.

Synergetics has historically invested in leading edge research and development projects and, in fiscal 2005, we expect continued development of 25 gauge precision instruments, endoillumination and laser probes, PHOTON™ supporting disposables and other products used in conjunction with minimally invasive surgical procedures.

For the 2004, 2003 and 2002 fiscal years, we expended \$796,916, \$563,267 and \$338,963, respectively, for research and development. We anticipate that we will continue to incur research and development costs in connection with development of products. Substantially all of our research and development is conducted internally. In the 2005 fiscal year, we anticipate that we will fund all of our research and development with current assets and cash flows from operations. Quarterly, we review our research and development programs to ensure that they remain consistent with and supportive of our growth strategies.

Government Regulation

The marketing and sale of our products in the United States is governed by the Federal Food, Drug and Cosmetic Act administered by the FDA, as well as varying degrees of regulation by a number of state and foreign governmental agencies.

FDA regulations are wide ranging and govern the introduction of new medical devices, the observance of certain standards with respect to the design, manufacture, testing, labeling and promotion of devices, the maintenance of certain records, the ability to track devices in distribution, the reporting of potential product defects and patient incidents, the export of devices and other matters.

All medical devices introduced into the market since 1976, which include substantially all of our products, are required by the FDA as a condition of sale and marketing to secure either a 510(k) Premarket Notification clearance or an approved PMA. A Premarket Notification clearance indicates FDA agreement with an applicant's determination that the product for which clearance has been sought is substantially equivalent to another medical device that was on the market before 1976 or that has received 510(k) Premarket Notification clearance. The process of obtaining a Premarket Notification clearance can take several months and commonly involves the submission of limited clinical data and supporting information, while the PMA process can take up to several years and typically requires the submission of significant quantities of clinical data and manufacturing information.

Federal, state and foreign regulations regarding the manufacture and sale of medical devices are subject to future changes. We cannot predict the impact, if any, these changes might have. These changes, however, could have a material impact on our business.

Under FDA regulations, after a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in the intended use of the device, technology, materials or packaging, requires a new 510(k) clearance. The FDA requires a manufacturer to make this determination in the first instance, but the FDA can review any such decision, and if it disagrees it can require a manufacturer to obtain a new 510(k) clearance or it can seek enforcement action against the manufacturer.

We are also required to register with the FDA as a device manufacturer and are required to maintain compliance with the FDA's Quality System Regulations, or QSRs. The QSRs incorporate the requirements of Good Manufacturing Practice and relate to product design, testing, and manufacturing quality assurance, as well as the maintenance of records and documentation. The FDA enforces the QSRs through inspections.

We may not promote or advertise our products for uses not within the scope of our clearances or approvals or make unsupported safety and effectiveness claims. Further, we are required to comply with various FDA requirements for labeling and promotion. The Medical Device Reporting regulations require that we provide information to the FDA whenever there is evidence to reasonably suggest that one of our devices may have caused or contributed to a death or serious injury or, if a malfunction were to occur, could cause or contribute to a death or serious injury. In addition, the FDA prohibits us from promoting a medical device before marketing clearance has been received or promoting a cleared device for unapproved indications. Noncompliance with applicable regulatory requirements can result in enforcement action, which may include:

warning letters;

fines, injunctions and civil penalties against us;

recall or seizure of our products;

operating restrictions, partial suspension or total shutdown of our production;

refusing our requests for premarket clearance or approval of new products;

withdrawing product approvals already granted; and

criminal prosecution.

Medical device regulations also are in effect in many of the countries outside the United States in which our products are sold. These laws range from comprehensive device approval and quality system requirements for some or all of our medical device products to simpler requests for product data or certifications. The number and scope of these requirements are increasing. In June 1998, the European Union Medical Device Directive became effective, and all medical devices sold in the European common market must meet the Medical Device Directive standards. Synergetics sells its products in the European medical market; as such, we have voluntarily chosen to subject ourselves to the audit procedures established by ISO through which Synergetics has obtained CE Marking for many of its products. Pursuant to ISO procedures, Synergetics is audited every six months. A negative ISO audit could result in the removal of the CE Marking on Synergetics products, which would effectively bar the sale of its products in the European market. Such a result would have a significant and material negative impact on Synergetics and its business.

We believe that we are in material compliance with regulations promulgated by the FDA, and that such compliance has been and is anticipated to be without adverse effect on our business.

Patents and Intellectual Property

Our ability to compete in an effective manner depends primarily on developing, improving and maintaining proprietary aspects of our technology. There are eleven pending United States patent applications that are directed toward the illumination technology used in our PHOTONtm xenon light source and the disposable products used with it. Our PHOTONtm xenon light source is based on the combination of these patent applications and other know-how and trade secrets. We are also in the process of seeking patent protection for certain aspects of our ultrasonic bone cutting tips. We currently own over a dozen United States patents, which are used in our disposables and precision engineered microsurgical instruments business. Other companies and entities have filed patent applications or have been issued patents relating to instruments, laser probes, endoilluminators, light sources, monopolar and/or bipolar electro-surgical methods and devices.

We seek patent protection of our key technology, products and product improvements in the United States and may seek patent protection in selected foreign countries. When determined appropriate, we will enforce and defend our patent rights. In general, however, we do not rely exclusively on our patents to provide us with any significant competitive advantages as it relates to our existing product lines. We also rely upon trade secrets, know-how, continuing technological innovations and superior engineering to develop and maintain our competitive advantage. In an effort to protect our trade secrets, we generally require our employees, consultants and advisors to execute proprietary information and invention assignment agreements upon commencement of employment or consulting relationships with us. These agreements typically provide that all confidential information developed or made known to the individual during the course of their relationship with us must be kept confidential, except in specified circumstances.

Synergeticstm, Omni®, PHOTONtm, Microserratedtm, Microfibertm, Tru-Microtm, DDMStm, Kryptonitetm and Bullseyetm are some of the principal trademarks of Synergetics.

As a condition to the merger, Valley Forge is required to acquire the rights to the Malis® trademark. The Malis® trademark is a name widely recognized and respected in the neurosurgery field. When Valley Forge exercises the option, Dr. Malis will be paid \$4,157,504, which includes interest, in 26 equal quarterly installments of \$159,904, and which will be evidenced by a promissory note secured by a security interest in the trademark and certain Valley Forge patents. The use of the Malis® trademark will enhance Synergetics' ability to achieve greater presence in the neurosurgical equipment market.

Product Liability Risk and Insurance Coverage

The development, manufacture, sale and use of medical products entail significant risk of product liability claims. We maintain product liability coverage at levels we have determined are reasonable. We cannot assure you that such coverage limits are adequate to protect us from any liabilities we might incur in connection with the development, manufacture, sale or use of our products. In addition, we may require increased product liability coverage as our sales increase in their current applications and new applications. Product liability insurance is expensive and in the future may not be available on acceptable terms, if at all. A successful product liability claim or series of claims brought against us in excess of our insurance coverage could adversely affect on our business.

Employees

At May 31, 2005, we and our subsidiaries had approximately 207 full time employees. From time to time we retain part-time employees, engineering consultants, scientists and other consultants. All full-time employees participate in our health benefit plan. None of our employees are represented by a union or covered by a collective bargaining agreement. We consider our relationship with our employees to be satisfactory.

Properties

Our office and manufacturing operations are conducted in a 33,000 square foot building owned by our wholly-owned subsidiary Synergetics Development Company, LLC, a Missouri limited liability company. The facility is located in St. Charles, Missouri, approximately 18 miles west of St. Louis, Missouri.

In January 2005, we commenced construction of a 27,000 square foot addition to our principal manufacturing facility and headquarters building. Substantial completion of the addition is projected for September 2005, with occupancy expected in the calendar fourth quarter of 2005. Manufacturing and general business operations are not expected to be negatively affected by the construction of the addition, and we believe that this new facility will enhance our operations and make them more efficient.

Legal Proceedings

Synergetics is currently a party to three related lawsuits involving certain intellectual property matters. On February 13, 2004, Synergetics filed suit in the Eastern District of Missouri against two ex-employees. The suit is captioned Synergetics, Inc. v. Charles Richard Hurst, Jr. and Michael McGowan, Case No. 4:04-CV-318DDN. In its suit, Synergetics alleges that the defendants have, among other things, misappropriated trade secrets and breached confidentiality agreements by, for example, taking Synergetics confidential engineering information, targeting Synergetics customers with replicates of Synergetics products, and using Synergetics confidential pricing information. Synergetics seeks damages and injunctive relief in this action.

On October 21, 2004, Synergetics filed suit in the Eastern District of Pennsylvania against Innovatech Surgical, Inc. (Innovatech), and its manufacturer, Peregrine Surgical, Ltd. (Peregrine), for patent infringement. This suit is captioned Synergetics, Inc. v. Peregrine Surgical, Ltd. and Innovatech Surgical, Inc., Case No. 04-CV-4939. Innovatech was formed by the two individuals sued in the Hurst matter referred to above. The suit against Innovatech and Peregrine arises out of the defendants sale, use and manufacture of an adapter and connector that are alleged to infringe two of Synergetics patents.

Finally, on November 29, 2004, Synergetics filed an action in the Eastern District of Missouri against an ex-employee and his company, Protomedics, LLC (Protomedics), for trade secret misappropriation, intentional interference with business relationships, breach of contract, fraud, breach of fiduciary duty and conversion. This suit is captioned Synergetics, Inc. v. Christopher Lumpkin and Protomedics, LLC, Case No. 4:04-CV-01650TCM. This suit arises partly out of such ex-employee s alleged transfer of Synergetics confidential information to the principals of Innovatech. On December 30, 2004, such ex-employee and Protomedics filed counterclaims alleging trade secret misappropriation and breaches of contracts.

In addition, from time to time we may become subject to litigation claims that may greatly exceed our product liability insurance limits. An adverse outcome of such litigation may adversely impact our financial condition and results of operation. We record a liability when a loss is known or considered probable and the amount can be reasonably estimated. If a loss is not probable, a liability is not recorded.

Selected Financial Data

The selected financial data set forth below should be read in conjunction with the SYNERGETICS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS and Synergetics consolidated financial statements and notes thereto appearing elsewhere in this joint proxy statement/prospectus. The statements of income data for the years ended July 31, 2004, 2003 and 2002 and the balance sheets data as of July 31, 2004 and 2003 have been derived from audited consolidated financial statements included elsewhere in this joint proxy statement/prospectus. The consolidated statements of income for the years ended July 31, 2001 and 2000 and the balance sheets data as of July 31, 2002, 2001 and 2000 have been derived from audited consolidated financial statements that are not included in this joint proxy statement/prospectus. The financial data at January 31, 2005 and for the six months ended January 31, 2005 and 2004 are derived from unaudited condensed consolidated financial statements included elsewhere in this joint proxy statement/prospectus and, in the opinion of Synergetics management, include all necessary adjustments for a fair presentation of these data in conformity with GAAP. The historical results are not necessarily indicative of the results of operations to be expected in the future. Results for the six-month period ended January 31, 2005 may not be indicative of the results for the full fiscal year or for any other future period.

	For the Fiscal Years Ended July 31,					For the Six Months Ended January 31,	
	2004	2003	2002	2001	2000	2005	2004
(In thousands, except per share data)							
Statements of Income Data:							
Net sales	\$ 16,887	\$ 13,017	\$ 10,447	\$ 8,315	\$ 7,103	\$ 10,322	\$ 7,524
Cost of sales	6,514	4,483	3,609	3,853	3,097	3,675	3,240
Gross profit	10,373	8,534	6,838	4,462	4,007	6,646	4,284
Income from operations	1,690	1,866	1,572	251	925	1,348	557
Net income	1,094	1,091	1,004	113	583	795	338
Earnings per common share:							
Basic	\$ 0.32	\$ 0.32	\$ 0.31			\$ 0.23	\$ 0.10
Diluted	\$ 0.32	\$ 0.32	\$ 0.31			\$ 0.23	\$ 0.10

	At July 31,					At
	2004	2003	2002	2001	2000	January 31, 2005
(In thousands)						
Balance Sheets Data:						
Cash and cash equivalents	\$ 1,540	\$ 1,049	\$ 943	\$ 1,249	\$ 1,659	\$ 817
Current assets	\$ 9,563	\$ 7,709	\$ 5,920	\$ 4,980	\$ 4,695	\$ 10,637
Total assets	14,474	12,254	7,724	6,144	6,326	15,567
Current liabilities	2,862	1,687	1,396	1,724	788	2,719

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Long-term liabilities	3,113	3,251	254	234	1,353	3,554
Retained earnings	3,944	2,851	1,760	756	644	4,739
Stockholders equity	8,499	7,316	6,074	4,185	4,184	9,294

SYNERGETICS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Synergetics consolidated financial statements and the corresponding notes included elsewhere in this joint proxy statement/prospectus. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements.

Overview

Synergetics designs, manufactures and markets medical devices for use in ophthalmic surgery and neurosurgery. Synergetics products are designed and manufactured to support micro or minimally invasive surgical procedures. In addition to Synergetics surgical devices and equipment, it also designs and manufactures disposable and non-disposable supplies and accessories for use with such devices and equipment. For a more detailed description of Synergetics surgical products, see INFORMATION ABOUT SYNERGETICS. Synergetics manufacturing operations are based in St. Charles, Missouri. It sells its products primarily to hospitals, clinics and surgeons in approximately 70 countries. Sales outside the United States are primarily through local distributors or sales agents. As used in this discussion, Synergetics means Synergetics and its subsidiaries.

Synergetics believes that the following developments or trends are important to understanding Synergetics financial condition, results of operations and cash flows for the six-month period ended January 31, 2005 and the three-year period ended July 31, 2004.

New Product Sales

Synergetics business strategy has been, and is expected to continue to be, to develop and market new technologies for the ophthalmic surgery and neurosurgery markets. New products, which management defines as products introduced within the prior 24-month period, accounted for approximately 14% of total sales for fiscal 2004, just over \$2.3 million. For the first six months of fiscal 2005, new products accounted for over 23% of revenues. This growth is primarily in our capital equipment products both in the ophthalmic and neurosurgery markets. Synergetics past revenue growth has been closely aligned with the adoption by surgeons of new technologies introduced by Synergetics. Since July 31, 2004, Synergetics has introduced over 50 new products to the ophthalmic and neurosurgery markets. Adoption rates for Synergetics new products should continue to favorably affect Synergetics operating performance.

Growth in Minimally Invasive Surgery Procedures

Minimally invasive surgery is surgery performed without making a major incision or opening. Minimally invasive surgery generally results in less trauma for the patient and less likelihood of complications related to the incision. A growing number of surgical procedures are performed using minimally invasive techniques, creating a multi-billion dollar market for the specialized devices used in the procedures. Synergetics has benefited from the overall growth in this market and expects to continue to benefit as it continues to introduce new and improved technologies targeting this market, such as its 25 gauge instrumentation and PHOTON™ xenon light source for the ophthalmic surgical market.

Demand Trends

Volume and mix improvements contributed to the majority of sales growth during the six-month period ended January 31, 2005 and during the fiscal years ended July 31, 2004, 2003 and 2002. Ophthalmic procedures volume, particularly retina procedures, on a global basis continues to rise at low single digit rates driven by an aging global population, new technologies, advances in surgical techniques and a growing global market resulting from ongoing improvement in healthcare delivery in third world countries, among other factors. In addition, the demand for high quality products and new technologies, such as Synergetics innovative instruments and disposables, to support growth in procedure volume

continues to positively impact sales growth. Synergetics believes innovative surgical approaches will continue to significantly impact the ophthalmic and neurosurgery market.

Pricing Trends

Through its strategy in delivering new and higher quality technologies, Synergetics has been able generally to maintain the average selling prices for its products in the face of downward price pressure in the healthcare industry.

Competition in the medical device markets and governmental healthcare cost containment efforts, particularly in the United States, have negatively impacted the prices medical device manufacturers receive for their products.

Synergetics should be less impacted by this negative pressure than other manufacturers in the industry because its products are primarily used for non-discretionary, life threatening or eyesight threatening procedures.

Results of Operations

Six-Month Period Ended January 31, 2005 Compared to Six-Month Period Ended January 31, 2004

Net Sales

The following table presents net sales by medical field (dollars in thousands):

	Six Months Ended January 31,		
	2005	2004	% Increase
Ophthalmic	\$ 8,245	\$ 6,562	25.6%
Neurosurgery	2,077	962	115.9
Total	\$ 10,322	\$ 7,524	37.2

Ophthalmic sales growth was led by growth in sales of Synergetics retinal instruments and disposables product lines. Neurosurgery sales growth was led by growth in sales of Synergetics neurosurgical equipment and disposables.

The following table presents United States and international net sales (dollars in thousands):

	Six Months Ended January 31,		
	2005	2004	% Increase
United States	\$ 7,902	\$ 5,931	33.2%
International	2,420	1,593	51.9
Total	\$ 10,322	\$ 7,524	37.2

Sales growth in both the United States and international was led by sales of Synergetics retinal instruments and disposables.

Gross Profit

Gross profit as a percentage of net sales was 64.4% during the six-month period ended January 31, 2005 compared to 56.9% during the six-month period ended January 31, 2004. The growth in gross profit as a percentage of net sales from the 2004 period to the 2005 period was attributable primarily to growth in sales of higher margin products, improvements in manufacturing efficiencies and improved pricing for raw materials used in Synergetics manufacturing operation.

Operating Expenses

Research and development expenses (R&D) as a percentage of net sales were 3.5% and 4.8% for the six-month periods ended January 31, 2005 and 2004, respectively. The dollar value of Synergetics

investment in R&D remained constant, but decreased as percentage of net sales as a result of increased sales volume. We plan to increase this expense to deliver more new products and support our sales growth.

Selling, general and administrative expenses (SG&A) as a percentage of net sales was 47.8% for the six-month period ended January 31, 2005 compared to 44.8% for the six-month period ended January 31, 2004. Selling expenses, made up of salaries and commissions, the largest component of SG&A, increased to \$2.88 million, or 27.9% of sales, during the six-month period ended January 31, 2005, compared to \$2.05 million, or 27.2% of sales, during the six-month period ended January 31, 2004. Synergetics expects to realize synergies from the Valley Forge transaction, which may initially be offset by ongoing expenses related to the integration of the two companies.

Other Expense

Other expense increased 16.7% to \$105,000 from \$90,000 for the six-month period ended January 31, 2004. The increase was due primarily to increased interest expense.

Operating Income, Income Taxes and Net Income

Operating income for the six-month period ended January 31, 2005 increased by 142.2% to \$1.3 million from \$0.6 million for the six-month period ended January 31, 2004. The increase in operating income was primarily the result of a reduction in cost of sales.

Synergetics' effective tax rate was 36.2% for the six-month period ended January 31, 2005 as compared to 27.7% for the six-month period ended January 31, 2004. The increase was due primarily to a larger research and experimentation credit utilized in fiscal 2004.

Net income increased 135.5% from \$337,501 for the six-month period ended January 31, 2004 to \$794,820 for the six-month period ended January 31, 2005. The growth in net income was due primarily to increases in both net sales and gross profit. Basic and diluted earnings per share increased 130.0% to \$0.23 for the six-month period ended January 31, 2005 as compared to \$0.10 for the six-month period ended January 31, 2004.

Year-Ended July 31, 2004 Compared to Year-Ended July 31, 2003

Net Sales

The following table presents net sales by medical field (dollars in thousands):

	Year-Ended July 31,		
	2004	2003	% Increase
Ophthalmic	\$ 14,061	\$ 11,900	18.2%
Neurosurgery	2,826	1,117	153.0
Total	\$ 16,887	\$ 13,017	29.7

Ophthalmic sales growth was led by growth in sales of Synergetics' PHOTON xenon light source product and related disposables. Neurosurgery sales growth was led by growth in sales of Synergetics' Omni® ultrasonic aspirators and related disposables.

The following table presents United States and international net sales (dollars in thousands):

	Year-Ended July 31,		
	2004	2003	% Increase
United States	\$ 13,462	\$ 10,395	29.5%

International	3,425	2,622	30.6
Total	\$ 16,887	\$ 13,017	29.7

Growth in the United States was led by growth in sales of Synergetics neurosurgery products. International sales growth was led by sales of its disposables.

Gross Profit

Gross profit as a percentage of net sales was 61.4% in 2004 compared to 65.6% in 2003. The reduction in gross profit as a percentage of net sales from 2003 to 2004 was attributable primarily to initial start-up and tooling costs resulting from new product introductions.

Operating Expenses

R&D as a percentage of net sales was 4.7% and 4.3% for the fiscal years ended July 31, 2004 and 2003, respectively. R&D increased to \$796,916 from \$563,267 reflecting increased spending on active projects focused on areas of strategic significance. Synergetics pipeline includes over 60 active projects. Of these projects, approximately 25% involve targeted new product categories. Synergetics has strategically targeted R&D spending as a percentage of net sales to be consistent with what management believes to be an average range for the industry. Synergetics expects over the next few years to invest in R&D at approximately 4.0% to 6.0% of net sales.

SG&A as a percentage of net sales was 46.7% for the fiscal year ended July 31, 2004 compared to 46.9% for the fiscal year ended July 31, 2003. Selling expenses increased to \$5.8 million, or 34.4% of sales, during the fiscal year ended July 31, 2004, compared to \$4.4 million, or 33.5% of sales, during the fiscal year ended July 31, 2003. In addition, general and administrative headcount went up by 11% and executive compensation, legal and insurance also increased in proportion to sales in the fiscal year ended July 31, 2004 as compared to the fiscal year ended July 31, 2003.

Other Expense

Other expense decreased 27.5% to \$176,000 from \$243,000 for the fiscal year ended July 31, 2003. The decrease was due primarily to a \$71,000 loss on sale of equipment during fiscal 2003 as compared to a \$7,000 loss on sale of equipment during fiscal 2004.

Operating Income, Income Taxes and Net Income

Operating income for the fiscal year ended July 31, 2004 decreased 9.6% to \$1.69 million from \$1.87 million in the comparable 2003 period. The decrease in operating income was primarily the result of a 4.2% decrease in gross profit margin.

Synergetics effective tax rate was 27.8% for the fiscal year ended July 31, 2004 as compared to 32.9% for the fiscal year ended July 31, 2003. The decrease was due primarily to a larger research and experimentation credit and extraterritorial income exclusion utilized during the fiscal year ended July 31, 2004.

Net income remained constant at \$1.09 million for the fiscal year ended July 31, 2004 compared to the same 2003 period. The lack of growth in net income was due primarily to a decrease in gross profit margin. Basic and diluted earnings per share for the fiscal year ended July 31, 2004 remained constant at \$0.32 compared to the fiscal year ended July 31, 2003.

Year-Ended July 31, 2003 Compared to Year-Ended July 31, 2002*Net Sales*

The following table presents net sales by medical field (dollars in thousands):

	Year-Ended July 31,		
	2003	2002	% Increase
Ophthalmic	\$ 11,900	\$ 9,769	21.8%
Neurosurgery	1,117	678	64.7
Total	\$ 13,017	\$ 10,447	24.6

Ophthalmic sales growth was led by growth in sales of Synergetics' retinal instruments and disposables. Neurosurgery sales growth was led by growth in sales of Synergetics' Omni® ultrasonic aspirators.

The following table presents United States and International net sales (dollars in thousands):

	Year-Ended July 31,		
	2003	2002	% Increase
United States	\$ 10,395	\$ 8,153	27.5%
International	2,622	2,294	14.3
Total	\$ 13,017	\$ 10,447	24.6

Growth in the United States was led by growth in sales of Synergetics' neurosurgery products. International sales growth was led by sales of Synergetics' disposables.

Gross Profit

Gross profit as a percentage of net sales was 65.6% in 2003 compared to 65.5% in 2002. The slight increase in gross profit as a percentage of net sales from 2002 to 2003 was attributable to a reduction in manufacturing costs mostly offset by a one-time year-end inventory adjustment due to actual costs of manufacturing being less than the standard costs used throughout the year. The purchase of significantly more efficient production equipment led to this difference in standard versus actual costs.

Operating Expenses

R&D as a percentage of net sales was 4.3% and 3.2% for the fiscal years ended July 31, 2003 and 2002, respectively. R&D increased to \$563,267 from \$338,963 reflecting increased spending on active projects focused on areas of strategic significance.

SG&A as a percentage of net sales was 46.9% for the fiscal year ended July 31, 2003 compared to 47.2% for the same 2002 period. Selling expenses increased to \$4.4 million, or 33.5% of sales, during the fiscal year ended July 31, 2003, compared to \$4.1 million, or 39.2% of sales, during the fiscal year ended July 31, 2002.

Other Expense

Other expense increased 635.9% from \$33,050 for the fiscal year ended July 31, 2002 to \$243,205 for the fiscal year ended July 31, 2003. The increase was due to an \$80,000 increase in interest expense associated with the revenue bonds on Synergetics' headquarters facility, a \$71,000 loss on the sale of equipment during fiscal 2003 as compared to

a \$17,000 loss on the sale of equipment during fiscal 2002 and an increase in net other expenses of \$76,000.

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Operating Income, Income Taxes and Net Income

Operating income for the fiscal year ended July 31, 2003 increased by 18.7% to \$1.87 million from \$1.57 million in the comparable 2002 period. The increase in operating income was primarily the result of a 24.6% increase in net sales.

Synergetics' effective tax rate was 39.2% for the fiscal year ended July 31, 2003 as compared to 35.5% for the fiscal year ended July 31, 2002. The decrease was due primarily to a larger research and experimentation credit.

Net income increased 8.7% from \$1.00 million for the fiscal year ended July 31, 2002 to \$1.09 million for the fiscal year ended July 31, 2003. The growth in net income was due primarily to a 24.6% increase in net sales partially offset by higher R&D and other expenses as described above. Basic and diluted earnings per share for the fiscal year ended July 31, 2003 increased 3.2% to \$0.32, from \$0.31 for the fiscal year ended July 31, 2002.

Liquidity and Capital Resources

Synergetics had \$816,789 in cash and equivalents and total debt of \$3.80 million as of January 31, 2005.

Working capital, including the management of inventory and accounts receivable, is a key management focus. At July 31, 2004, Synergetics had 58 days of sales outstanding (DSO) in accounts receivable, unfavorable to July 31, 2003 by one day and unfavorable to July 31, 2002 by two days. The increase in DSO from 2002 to 2004 is primarily the result of increased net sales internationally where payment terms are generally longer than those in the United States.

At July 31, 2004, Synergetics had 104 days of inventory on hand, favorable to the prior year by seven days. The 104 days of inventory on hand at July 31, 2004 is in line with Synergetics' anticipated levels of 100 to 110 days.

Cash flows used in operating activities were \$369,001 for the six-month period ended January 31, 2005 compared to cash provided by operating activities of \$586,437 for the comparable 2004 period. The decrease of \$955,438 was attributable primarily to usage changes in inventories of approximately \$1.6 million in connection with inventories build-up to support sales growth offset by cash provided by greater net income of approximately \$500,000 and other changes in net working capital components of approximately \$145,000.

Cash flows provided by operating activities were \$930,304 for the fiscal year ended July 31, 2004 compared to \$79,641 for the comparable 2003 period. The increase of \$850,663 was attributable primarily to cash provided by changes in prepaid income taxes net of income taxes payable of approximately \$1.0 million offset by other changes in net working capital and other adjustments components of approximately \$150,000.

Cash flows used in investing activities were \$505,448 for the six-month period ended January 31, 2005 compared to \$663,610 for the comparable 2004 period. During the six-month period ended January 31, 2005, Synergetics made \$62,303 cash payments for the acquisition of patents, compared to \$39,061 during the six-month period ended January 31, 2004. Cash additions to property and equipment during the six-month period ended January 31, 2005 were \$443,145 compared to \$624,549 for the six-month period ended January 31, 2004. Increases were primarily to support sales growth, new product launches and the facility expansion at Synergetics' manufacturing facility and headquarters in St. Charles, Missouri.

Cash flows used in investing activities were \$797,406 for the fiscal year ended July 31, 2004 compared to \$282,459 for the comparable 2003 period. During the fiscal year ended July 31, 2004, Synergetics made \$113,772 cash payments for the acquisition of patents, compared to \$68,810 during the fiscal year ended July 31, 2003. Cash additions to property and equipment during the fiscal year ended July 31, 2004 were \$686,816 compared to \$323,649 for the fiscal year ended July 31, 2003. Increases were primarily to support sales growth and new product launches. In addition, Synergetics generated \$110,000 of proceeds from the

sale of equipment in the fiscal year ended July 31, 2003 as compared to \$3,182 in the fiscal year ended July 31, 2004.

Cash flows provided by financing activities were \$151,196 for the six-month period ended January 31, 2005 compared to \$340,242 for the six-month period ended January 31, 2004. The decrease of \$189,046 was primarily applicable to additional net cash payments of debt.

Cash flows provided by financing activities were \$357,772 for the fiscal year ended July 31, 2004 compared to \$309,216 for the fiscal year ended July 31, 2003. The increase of \$48,556 is applicable to additional net cash borrowings on debt of approximately \$110,000 offset by less cash provided applicable to stock transactions of approximately \$62,000.

Synergetics has the following committed financing arrangements:

Revolving Credit Facility: Under this credit facility, Synergetics may borrow up to \$1.25 million with interest at the bank's prime lending rate less 0.25%. Borrowings under this facility at January 31, 2005, were \$0. Outstanding amounts are secured by Synergetics' receivables and inventory.

Equipment Line of Credit Facility: Under this credit facility, Synergetics may borrow up to \$1.00 million with interest at the bank's prime lending rate. Borrowings under this facility at January 31, 2005, were \$321,806. Outstanding amounts are secured by the purchased equipment.

In January 2005, we commenced construction of a 27,000 square foot addition to our principal manufacturing and headquarters building. The addition will cost approximately \$2.4 million and will be financed by additional revenue bonds.

Management believes that cash flows from operations, together with available borrowings under its existing credit facilities will be sufficient to meet Synergetics' working capital, capital expenditure and debt service needs. If investment opportunities arise, Synergetics believes that its earnings, balance sheet and cash flows will allow Synergetics to obtain additional capital, if necessary.

Contractual Obligations

Synergetics has entered into contracts with various third parties in the normal course of business that will require future payments. The following table illustrates Synergetics' contractual obligations as of July 31, 2004:

Contractual Obligations	Total	Payments due by period			
		Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-Term Debt(1)	\$ 3,108,361	\$ 272,525	\$ 536,704	\$ 491,715	\$ 1,807,417
Estimated Interest Payments(2)	520,005	118,525	215,258	186,222	
Operating Leases(3)	44,432	14,952	29,480		
Purchase Obligations(4)	40,321	15,564	22,248	2,509	
Other Long-Term Liabilities(5)					
Total Contractual Obligations	\$ 3,713,119	\$ 421,566	\$ 803,690	\$ 680,446	\$ 1,807,417

(1) Amounts represent the expected cash payments for our total debt. Subsequent to July 31, 2004, Synergetics has entered into a construction contract for \$2,390,767 for a building addition, which will be financed under additional revenue bonds.

(2) Amounts represent the expected cash payment for interest on our fixed rate long-term debt. After 2009, the interest rate will float.

- (3) We enter into operating leases in the normal course of business. Some lease agreements provide us with the option to renew the lease. Our future operating lease payments would change if we exercised these renewal options or if we entered into additional operating lease agreements.

- (4) Purchase obligations include agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transactions. Purchase obligations exclude agreements that are cancelable at any time without penalty.
- (5) As deferred taxes are our only other long-term liability and as such amounts have not been determined beyond 2004, this amount is excluded from this table.

Post-Merger Liquidity Considerations

After the combination with Valley Forge, the combined company will have two additional contractual obligations: On October 22, 2004, Valley Forge entered into an option agreement to purchase the Malis® trademark from Leonard I. Malis. Valley Forge must exercise this option as a condition to closing and pay Dr. Malis \$4,157,054, which includes interest in 26 equal quarterly installments of \$159,104, and which will be evidenced by a promissory note secured with a security interest in that trademark and certain other Valley Forge patents. Payment on this note will be an obligation of New Synergetics following the merger.

In October 2004, Synergetics Development Co., LLC signed a commitment letter with a bank to issue \$2.4 million of revenue bonds to finance a 27,000 square foot addition to the Synergetics headquarters facility. The bonds require interest at a 5% rate over a twenty year amortization period. Synergetics has entered into a construction contract for the approximate amount of the revenue bonds. These bonds will be an obligation of New Synergetics following the merger. Synergetics expects the purchases of property and equipment for the expansion to be approximately \$1.7 million for the fiscal year ending July 31, 2005.

Critical Accounting Policies

The financial results of Synergetics are affected by the selection and application of accounting policies and methods. Significant accounting policies which require management's judgment are discussed below.

Revenue Recognition

Synergetics records revenue from product sales when the revenue is realized and the product is shipped from its facility. This includes satisfying the following criteria: the arrangement with the customer is evident, usually through receipt of a purchase order; the sales price is fixed and determinable; delivery has occurred; and collectibility is reasonably ensured.

Allowances For Doubtful Accounts

Synergetics evaluates the collectibility of accounts receivable based on a combination of factors. In circumstances where a specific customer is unable to meet its financial obligations to Synergetics, Synergetics records an allowance against amounts due to reduce the net recognized receivable to the amount that management reasonably expects to collect. For all other customers, Synergetics records allowances for doubtful accounts based on the length of time the receivables are past due, the current business environment and its historical experience. If the financial condition of customers or the length of time that receivables are past due were to change, Synergetics may change the recorded amount of allowances for doubtful accounts in the future.

Inventories

Inventories, consisting of purchased materials, direct labor and manufacturing overhead, are stated at the lower of cost, with cost being determined using the first-in, first-out (FIFO) method, or market. Periodically, Synergetics evaluates inventories for excess quantities and identified obsolescence. Its evaluation includes an analysis of historical sales levels by product and projections of future demand, as

well as estimates of quantities required to support warranty and other repairs. To the extent that it determines there are excess quantities based on its projected levels of sales and other requirements, or obsolete material in inventory, it records valuation reserves against all or a portion of the value of the related parts or products. If future demand or market conditions are different than Synergetics' projections, a change in recorded inventory valuation reserves may be required and would be reflected in cost of sales in the period the revision is made.

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangible assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the group of assets and their eventual disposition. Measurement of an impairment loss for long-lived assets and certain identifiable intangible assets that management expects to hold and use is based on the fair value of the asset. Long-lived assets and certain identifiable intangible assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Amortization Periods

Synergetics records amortization of intangible assets using the straight-line method over the estimated useful lives of these assets. It bases the determination of these useful lives on the period over which it expects the related assets to contribute to its cash flows or in the case of patents, their legal life, whichever is shorter. If Synergetics' assessment of the useful lives of intangible assets changes, it may change future amortization expense.

Deferred Tax Assets and Liabilities

Synergetics' deferred tax assets and liabilities are determined based on differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when a determination is made that it is more likely than not that a portion or all of the deferred tax assets will not be realized.

Loss Contingencies

Synergetics is subject to claims and lawsuits in the ordinary course of its business, including claims by employees or former employees, with respect to its products and involving commercial disputes. Synergetics financial statements do not reflect any material amounts related to possible unfavorable outcomes of claims and lawsuits to which it is currently a party because management currently believes that such claims and lawsuits are either adequately covered by insurance or otherwise indemnified, and are not expected, individually or in the aggregate, to result in a material adverse effect on Synergetics financial condition. However, it is possible that Synergetics results of operations, financial position and cash flows in a particular period could be materially affected by these contingencies if management changes its assessment of the likely outcome of these matters.

Stock-Based Compensation

Synergetics accounts for stock-based employee compensation using the intrinsic value method of accounting. Under this method, stock-based compensation expense is based on the difference, if any, on the date of the grant between the fair value of Synergetics' stock and the exercise price of the award.

Recent Accounting Pronouncements

Information about recent accounting pronouncements is included in Note 14 to the Audited Consolidated Financial Statements of Synergetics beginning on page F-16 of this joint proxy statement/ prospectus.

Quantitative and Qualitative Disclosures About Market Risk

Synergetics primary market risks include fluctuations in interest rates and exchange rate variability.

Synergetics has a revolving credit facility and an equipment line of credit facility in place. The revolving credit facility had an outstanding balance of \$0 at January 31, 2005, and the equipment line of credit facility had an outstanding balance of \$321,806 at January 31, 2005, bearing interest at the bank's prime lending rate. Interest expense from the equipment credit facility is subject to market risk in the form of fluctuations in interest rates. Synergetics does not perform any interest rate hedging activities related to these two facilities.

Additionally, Synergetics has exposure to foreign currency fluctuation through export sales to international accounts. A significant change in the relative strength of the dollar to foreign currencies could result in a negative impact on Synergetics' results of operations. Synergetics does not conduct any hedging activities related to foreign currency.

INFORMATION ABOUT VALLEY FORGE

Overview

Valley Forge is a medical device company that develops, manufactures and sells medical devices for use in surgery and other healthcare applications. Our core business is the sale of bipolar electro-surgical generators and other generators, based on our proprietary DualWave™ technology, and complementary instrumentation and disposable products.

Our current line of bipolar electro-surgical products are used in neurosurgery and spine surgery and in dental applications. In the first quarter of fiscal 2005, we commenced selling a lesion generator for the percutaneous treatment of pain. We plan to expand the market for our products with the introduction of our new multifunctional bipolar electro-surgical generator and new proprietary single-use hand switching bipolar instruments, new products based on our proprietary lesion generator technology, and other products and product refinements. Our new multifunctional bipolar electro-surgical and system is designed to replace other surgical tools, such as monopolar electro-surgical systems and lasers, in certain applications.

We believe our DualWave™ technology distinguishes our products from our competitors. With appropriate technique, our bipolar electro-surgical systems based on our DualWave™ technology allow a surgeon or dentist to cut tissue in a manner that minimizes collateral damage to surrounding healthy tissue and to coagulate blood vessels quickly, safely and efficiently. By substantially reducing damage to surrounding healthy tissue, the surgeon or dentist can work safely in close proximity with nerves, blood vessels and bone. Our bipolar electro-surgical systems can also be used in close proximity with metal implants and in irrigated fields.

For over 20 years, we have had worldwide exclusive distribution agreements with Codman to market our neurosurgery bipolar electro-surgical systems and other products. On October 15, 2004, we entered into a new agreement with Codman defining our business relationship from October 1, 2004 through December 31, 2005. This agreement was amended effective March 1, 2005. On May 6, 2005, in accordance with the terms of the amendment, we notified Codman that effective July 15, 2005, Codman would be a no