

Medtronic News

Medtronic To Acquire PEAK Surgical, Inc.

Medtronic Targets Leadership Role in Advanced Energy Surgical Technologies

MINNEAPOLIS, Jul 07, 2011 (BUSINESS WIRE) --

Medtronic, Inc. (NYSE: MDT) today announced that it has entered into a definitive agreement to acquire PEAK Surgical, Inc., a recognized leader in the emerging field of advanced energy surgical incision technology to broaden Medtronic Surgical Technologies' portfolio of innovative surgical products to meet customer and patient needs worldwide.

The total value of the transaction is \$120 million. Medtronic had previously invested in PEAK and currently holds an ownership stake in the company. Net of this ownership stake, the transaction value is approximately \$105 million. PEAK's revenue is annualizing at approximately \$20 million and is growing rapidly.

PEAK Surgical, Inc. specializes in surgical instruments based on its proprietary PlasmaBlade(R) technology which represents an important advancement in advanced energy surgical technologies. The PEAK PlasmaBlade(R) consists of a family of disposable cutting devices with proprietary insulation technology that offers the exacting control of a scalpel and the bleeding control of traditional electrosurgery with minimal thermal tissue damage. PEAK's technology is cleared for use in a variety of settings, including Ear, Nose and Throat (ENT), plastic reconstructive, orthopaedic and general surgical applications.

The addition of the PEAK PlasmaBlade(R) surgical solutions will help Medtronic serve doctors and patients and continue to fulfill the Medtronic mission of alleviating pain, restoring health and extending life.

"We are excited about this opportunity to bring our companies together and further broaden Medtronic Surgical Technologies' portfolio of innovative surgical products to meet customer and patient needs worldwide," said Chris O'Connell, executive vice president and president of Medtronic's Restorative Therapies Group. "PEAK's advanced energy cutting technologies complement our existing surgical product line, strengthening our core offerings and enabling us to offer surgeons and patients a full spectrum of leading products across the entire surgical continuum."

John Tighe, president and CEO of PEAK Surgical, Inc., added, "Medtronic's global reach will allow more patients and hospitals to benefit from the proven clinical and economic benefits associated with our PlasmaBlade(R) technology. We are excited to join Medtronic and by the potential to further develop our family of products in multiple surgical specialties."

In a separate development today, Medtronic announced it has signed an agreement to acquire Salient Surgical Technologies, Inc., another leader in advanced energy surgical technology, particularly in the area of advanced haemostatic sealing products. Together, these acquisitions represent Medtronic's commitment to innovation across the entire surgical continuum from incision to closing, and represent entries into new areas such as plastic/reconstruction, electrophysiology, oncology and large bone orthopedics.

The acquisition is subject to governmental and regulatory review in the U.S. and several countries. Until the transaction is cleared and closed, the companies will continue to operate as separate entities.

About PEAK Surgical, Inc.

PEAK Surgical, Inc. is a medical device company that has developed the PEAK PlasmaBlade(R), a new tissue dissection device based on a proprietary technology that represents an important advance in radiofrequency surgical technologies. The PlasmaBlades are a family of disposable cutting devices that offer the exacting control of a scalpel and the bleeding control of traditional electrosurgery without extensive collateral damage. These surgical devices come together with the PULSAR(R)

Generator, which supplies pulsed plasma radiofrequency energy to the PlasmaBlades, to form the PEAK(R) Surgery System. The PEAK Surgery System is cleared for use in general, plastic and reconstructive, ENT, gynecologic, orthopedic, arthroscopic, spinal and neurological surgical procedures in the United States, and for use in general surgery in the EU. In the United States, the PEAK Surgery System was launched in July 2008 and has been used by U.S. surgeons on more than 25,000 patients. For more information, please visit www.peaksurgical.com.

About Medtronic

Medtronic, Inc. (www.medtronic.com), headquartered in Minneapolis, is the global leader in medical technology - alleviating pain, restoring health and extending life for millions of people around the world.

Safe Harbor

This Press Release contains forward-looking statements that may include statements regarding the intent, belief or current expectations of PEAK Surgical, Medtronic and their respective management. Forward looking statements include statements about the benefits and advantages of the acquisition for PEAK Surgical and Medtronic. Actual results could differ materially from those projected in the forward-looking statements as a result of a number of important factors, including but not limited to the risk that the acquisition will not close as the transaction is subject to certain closing conditions, such as the ability to obtain regulatory approvals of the proposed acquisition. In addition, if and when the transaction is closed, there will be risks and uncertainties related to Medtronic's ability to integrate PEAK Surgical successfully, the risk that the cost savings and any other synergies from the acquisition may not be fully realized or may take longer to realize than expected; disruption from the acquisition making it more difficult to maintain relationships with customers, employees or suppliers; and competition and its effect on pricing, spending, third-party relationships and revenues. Additional factors that may affect future results are contained in the SEC filings for Medtronic, including but not limited to Medtronic's Annual Report on Form 10-K for the year ended April 29, 2011. Medtronic and PEAK Surgical each disclaim any obligation to update and revise statements contained in this release based on new information or otherwise.

SOURCE: Medtronic, Inc.

Medtronic, Inc.
Public Relations:
Steve Cragle, 763-505-2345
or
Investor Relations:
Jeff Warren, 763-505-2696

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