Medtronic News

Medtronic To Acquire Salient Surgical Technologies, 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 Salient Surgical Technologies, Inc., the leader in the advanced energy category for haemostatic sealing of soft tissue and bone in a variety of surgical procedures including orthopaedic surgery, spine, open abdominal and thoracic procedures. Salient's AQUAMANTYS(R) system with patented TRANSCOLLATION(R) technology will broaden Medtronic Surgical Technologies' portfolio of innovative surgical products to meet customer and patient needs worldwide.

The total value of the transaction is $525 million. Medtronic had previously invested in Salient and currently holds an ownership stake in the company. Net of this ownership stake, the transaction value is approximately $480 million. Salient's revenue is annualizing at approximately $100 million and is growing rapidly.

Salient Surgical Technologies' rapidly expanding advanced energy product lines provide a strong value proposition to patients, surgeons, and hospitals through haemostatic sealing of soft tissue and bone, reduced blood loss and improved surgeon visualization.

The company's patented TRANSCOLLATION(R) technology has enabled healthcare professionals to optimize care for more than 650,000 patients worldwide undergoing a variety of surgical procedures including orthopaedic surgery, spine, open abdominal and thoracic procedures.

"Integrating the Salient Surgical Technologies organization will bring new applications to Medtronic Surgical Technologies' current surgical therapy areas and expand the company's opportunities in adjacent offerings, helping Medtronic serve new customers and better meet the needs of existing ones," said Chris O'Connell, executive vice president and president of Medtronic's Restorative Therapies Group.

Joseph Army, president and CEO of Salient Surgical Technologies, said, "Salient's focus on improving patient outcomes and its commitment to having the best people in the medical device industry align perfectly with Medtronic's mission and culture. We are excited about the opportunity to become part of the global leader in medical technology and look forward to leveraging Medtronic's worldwide presence to make TRANSCOLLATION(R) technology the standard of care in advanced energy across the globe."

In a separate development today, Medtronic announced it has signed an agreement to acquire PEAK Surgical, Inc. another leader in advanced energy surgical technology, particularly in the area of advanced incision 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 Salient Surgical Technologies
Salient Surgical Technologies, Inc. (www.salientsurgical.com) is a medical technology company that develops and markets advanced energy devices for use in surgical procedures. The company's AQUAMANTYS(R) System uses patented TRANSCOLLATION(R) technology, which provides hemostatic sealing of soft tissue and bone tissue at the surgical site. This

technology has been used to optimize care for more than 650,000 patients undergoing a variety of surgical procedures including orthopaedic surgery, spine, open abdominal and thoracic procedures.

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 Salient Surgical Technologies, Medtronic and their respective management. Forward looking statements include statements about the benefits and advantages of the acquisition for Salient 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 Salient Surgical Technologies 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 Salient Surgical Technologies each disclaim any obligation to update and revise statements contained in this release based on new information or otherwise.

SOURCE: Medtronic, Inc.

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