Medtronic Signs Agreement to Acquire China Kanghui Holdings

Acquisition Advances Medtronic's Globalization Strategy; Provides Strong Local China Operation as well as Broader Orthopedics Participation

MINNEAPOLIS and CHANGZHOU, CHINA - Sept. 27, 2012 - Medtronic, Inc. (NYSE: MDT) and China Kanghui Holdings (NYSE: KH) announced today that they have entered into a merger agreement whereby Medtronic will acquire Kanghui. The agreement calls for Medtronic to pay approximately $816 million in cash ($30.75 per American depository share). The total value of the transaction, net of Kanghui's cash, is expected to be approximately $755 million.

"China is one of the fastest growing medical device markets with significant scale opportunities, and now Medtronic will establish a bigger and more direct local presence," said Chris O'Connell, executive vice president and president of Medtronic's Restorative Therapies Group, including the Neuromodulation, Spine, Surgical Technologies and Diabetes businesses. "Kanghui brings Medtronic a broad product portfolio, a strong local R&D and manufacturing operation, a vast China distribution network and an exceptional management team. This move will provide Medtronic sustainable advantages in the fast-growing Chinese orthopedic segment, as well as a foothold in the emerging global value segment in orthopedics."

"This agreement is directly aligned with our corporate strategies of globalization and economic value," said Omar Ishrak, chairman and CEO of Medtronic. "Kanghui represents a significant investment in China, accelerating Medtronic's overall globalization strategy with an established value segment distribution network and strong R&D and operational capabilities."

As a leading provider of orthopedic devices in China, Kanghui brings a strong product portfolio and new product pipeline in trauma, spine and joint reconstruction. The combined portfolio expands Medtronic's offerings in orthopedic surgery and complements the company's existing presence in spine, neurosurgery, neuromodulation, advanced energy and surgical navigation.

"We are proud of the company we've built and recognize there is a tremendous opportunity to accelerate our global vision by building on Medtronic's size, scale and expertise as part of this combined organization," said Libo Yang, CEO of Kanghui. "We look forward to bringing to Medtronic our local operating expertise in China, including our wide distribution network, strong local sales and marketing teams, local manufacturing and R&D, as well as our active presence across a number of value orthopedic product lines that are necessary for success in China and other emerging markets."

The transaction is expected to close in the next few months and is subject to customary closing conditions, including approval from the shareholders of Kanghui. Medtronic expects the net impact from this transaction to be earnings neutral for fiscal years 2013 and 2014 as the company intends to offset any dilutive impact of the transaction.

ABOUT KANGHUI
Kanghui is a public company founded in 1997 and is headquartered in Changzhou. It is traded on the NYSE under KH.

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.

This Press Release contains forward-looking statements that may include statements regarding the intent, belief or current expectations of Kanghui, Medtronic and their respective management. Forward-looking statements include statements about the benefits and advantages of the acquisition for Kanghui 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. In addition, if and when the transaction is closed, there will be risks and uncertainties related to Medtronic's ability to integrate Kanghui 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 27, 2012. Medtronic and Kanghui each disclaim any obligation to update and revise statements contained in this release based on new information or otherwise.

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