Medtronic News

Medtronic Announces Acquisition of TYRX, INC., Developer of Solutions for Surgical Site Infections

MINNEAPOLIS - Jan. 06, 2014 - Medtronic, Inc. (NYSE: MDT) today announced that it has acquired TYRX, Inc., a privately held, New Jersey-based developer of implantable combination antibiotic drug and implanted medical devices. TYRX's product offerings include the recently FDA cleared AIGISRx® R Fully Resorbable Antibacterial Envelope, designed to reduce surgical site infections associated with Cardiac Implantable Electronic Devices (CIEDs), and the AIGISRx® N Antibacterial Envelope, for use with spinal cord neuromostimulators. The all cash transaction includes an initial payment of $160 million plus potential earn out and performance based milestone payments. Medtronic expects the net impact from this transaction to be neutral to fiscal year 2014 earnings and for this transaction to be consistent with the company's disciplined focus on long-term returns.

This acquisition supports Medtronic's expansion of its medical device product offerings to include broader healthcare services and solutions, providing meaningful clinical outcomes and economic value for hospitals, physicians, patients and payers.

"While the risk of infection from an implanted pacemaker or defibrillator is low for most patients, repeated operative procedures after the initial device implant are associated with a substantial incremental risk of infection. This is estimated to cost the U.S. healthcare system more than $1 billion per year," said Pat Mackin, president of the Cardiac Rhythm Disease Management business and senior vice president at Medtronic. "TYRX has developed an innovative, proven technology to reduce infection risk, making the procedure safer for patients and removing significant costs from the healthcare system."

"We look forward to joining Medtronic as part of a combined portfolio that can positively impact outcomes for patients by reducing implant-related infections, and bring value to our customers," said Robert White, president and chief executive officer of TYRX.

In collaboration with leading clinicians, researchers and scientists worldwide, Medtronic offers a broad range of innovative medical technology for the interventional and surgical treatment of cardiovascular disease and cardiac arrhythmias. The company strives to offer products and services that deliver clinical and economic value to healthcare consumers and providers around the world.

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 involve risks and uncertainties. Such forward-looking statements include expectations regarding benefits to Medtronic's operations as a result of the closing of the TYRX acquisition. The statements in this release are based upon current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including risks related to the integration of TYRX's operations into Medtronic's, the anticipated future benefits (including cost savings and other synergies) resulting from the acquisition of TYRX or that such benefits may not be fully realized or may take longer to realize than expected, difficulties and delays inherent in the development, manufacturing, marketing and sale of medical products and services, government regulation, general economic conditions and other risks and uncertainties set forth in Medtronic's periodic reports on file with the Securities and Exchange Commission including, but not limited to, Medtronic's Annual Report on Form 10-K for the year ended April 26, 2013. Actual results may differ materially from anticipated results. Medtronic disclaims any obligation to update or revise statements contained in this release based on new information, future events or otherwise.

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Contacts:
Chris Garland
Public Relations
+1-763-526-1621

Jeff Warren
Investor Relations
+1-763-505-2696

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