

Medtronic Completes Acquisition of Visualase, Inc.

MRI-Guided Laser Ablation Technology Adds to Surgical Technologies Product Portfolio and Broader Neuroscience Leadership Position

MINNEAPOLIS - July 28, 2014 - Medtronic, Inc. (NYSE: MDT) today announced that it has completed the acquisition of Visualase, Inc., a privately held company based in Houston, TX, that develops and markets an FDA-approved MRI-guided laser and image guided system for minimally invasive neurosurgeries, including surgical thermal ablation. Medtronic will add Visualase's MRI-guided laser ablation system to its portfolio of therapies for treating neurological conditions within its Surgical Technologies business and will integrate the technology into its broader neuroscience offerings. The acquisition of Visualase is another example of Medtronic's ongoing investment in technology and commitment to innovation across the entire surgical care continuum as the company strives to become the partner of choice for neurosurgeons and neuroscience centers around the world.

"We are excited about this opportunity to add Visualase's complementary technology and expertise to our neurosurgical solutions portfolio, which includes intra-operative imaging, surgical navigation, powered instruments and cerebrospinal fluid (CSF) management," said Mark Fletcher, senior vice president and president, Medtronic Surgical Technologies. "The Visualase laser ablation technology gives neurosurgeons a minimally invasive option to precisely target and treat small areas of tissues. We are the recognized leader in high technology solutions for specialties such as neurosurgery, spinal surgery and orthopedics. This acquisition broadens our strong and growing portfolio of innovative surgical products and represents entries into new areas such as surgical thermal ablation."

"The transaction with Medtronic is critical to ensure more patients have access to our beneficial technology," said William Hoffman, CEO of Visualase. "We are proud of the MRI-guided laser ablation technology and other products we have developed and their impact on the well-being of patients. Medtronic is clearly committed to the area of minimally invasive neurosurgery and we look forward to working as a team to innovate in this area."

The all-cash transaction of up to \$105 million includes an initial payment of \$70 million plus additional payments of up to \$35 million which are contingent upon the achievement of specific milestones. Medtronic had previously invested in Visualase and held an ownership stake in the company prior to completion of the acquisition. Net of this ownership stake, the initial payment is approximately \$64 million. Medtronic expects the net impact from this transaction to be neutral to fiscal year 2015 earnings and accretive thereafter, and for this transaction to be consistent with the company's disciplined focus on long-term returns.

About Medtronic Surgical Technologies

The Surgical Technologies business develops technology solutions for surgical specialties that include: neurosurgery; spinal surgery; orthopedics; ear, nose and throat; and surgical oncology. The business designs, develops, manufactures and supports healthcare providers with advanced surgical navigation and imaging solutions, powered surgical tools and systems, intraoperative nerve monitoring devices, advanced energy-based devices for hemostatic sealing and tissue dissection, and implantable devices for hydrocephalus management.

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.

The statement that the Visualase acquisition is expected to be earnings accretive after fiscal year 2015 is not a profit forecast and should not be interpreted to mean that the earnings per share in the current or any future financial period will necessarily match or be greater than those for the relevant preceding financial period. This press release contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements include Medtronic's intended business strategy and expectations regarding benefits to Medtronic's operations as a result of the closing of the Visualase 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 Visualase's operations into Medtronic's, delays or obstacles in realizing the anticipated future benefits (including cost savings and other synergies) resulting from the acquisition of Visualase, 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. Actual results may differ materially from anticipated results. Medtronic does not undertake to update its forward- looking statements.

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