Medtronic News

Medtronic Acquires NGC Medical to Strengthen Its Integrated Health Solutions Portfolio

NGC's Hospital Managed Services Business Adds to Medtronic's Growing Healthcare Services and Solutions Portfolio

TOLOCHENAZ - August 27, 2014 - Medtronic, Inc. (NYSE: MDT) today announced that it has completed the acquisition of NGC Medical S.p.A. (NGC), a privately-held Italian company, in a transaction that values NGC at $350 million. Medtronic held a 30 percent ownership stake in the company prior to the completion of the acquisition. NGC will serve as the Managed Services arm for Medtronic's Hospital Solutions business and represents another example of Medtronic's continuing effort to lead the transformation to value-based healthcare by leveraging the economic value of its products and services. The unit will operate as a separate entity, continuing its long-standing commitment of being a brand-agnostic partner to hospitals. Medtronic expects the net impact from this transaction to be neutral to fiscal year 2015 earnings and for this transaction to be consistent with the company's disciplined focus on long-term returns.

NGC manages cardiovascular suites, operating rooms and intensive care units at nearly 30 hospitals across Italy and is rapidly expanding its service offerings throughout Europe, the Middle East and Africa. The acquisition of NGC adds an established hospital managed services capability to Medtronic's growing portfolio of efficiency solutions for hospitals, and enhances its ability to provide higher levels of economic value to physicians, payers and health systems.

Rob ten Hoedt, executive vice president and president of Medtronic's EMEAC region, said, "I am delighted that NGC will join Medtronic and add to our growing offering to hospitals and health systems. As we are all acutely aware, current models of delivering healthcare are not sustainable, and Medtronic is intent on finding new ways to partner with physicians, hospital systems, patients, payers and governments around the world to meet their cost and access challenges and to deliver high quality healthcare.

As the world's leading medical device manufacturer, we have the technology, expertise, broadest portfolio of products and therapies, and the financial strength to provide unique solutions to hospitals. Medtronic has made significant progress over the past year since launching our hospital solutions business. NGC's managed services expertise further enhances this momentum, making the combined entity an ideal partner for hospitals."

Paolo Cremascoli, CEO of NGC, said, "We are pleased to be part of Medtronic and to have the opportunity to apply the expertise, services and solutions we have developed over the past 30 years to a much broader group of hospitals and healthcare providers. As part of Medtronic's Hospital Solutions business we are well-positioned to help solve the challenges that healthcare systems are currently facing."

Over the past year, Medtronic Hospital Solutions has entered into partnerships with hospitals across Europe to provide hospital lab managed services and has been involved in a number of programs to increase efficiencies and improve the patient experience. Medtronic recently provided hospital efficiency solutions to Maastricht University Medical Center in The Netherlands that produced an estimated savings of €4.5 million (U.S. $6 million) in one year. Through the Hospital Solutions business, Medtronic is able to provide solutions to help improve patient care and system efficiency through the company's unique integration of data, medical technology and services. These efforts also address and expand patient care pathways, potentially increasing access to care for patients. Medtronic remains committed to growing this business, both within Europe and in other regions around the world. In Europe Medtronic maintains numerous long-term contracts representing over a half billion dollars of revenue and are currently in discussions with an additional 150 healthcare systems around the world.

About NGC Medical S.p.A.

Privately held NGC Medical S.p.A., headquartered in Novedrate, Italy, was founded in 1988 and credited with introducing the

concept of managed services to Italy in 2000. NGC offers a broad suite of hospital managed services from infrastructure design and turnkey installation to material and equipment management. The company has approximately 100 employees.

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.

Any forward-looking statements are subject to risks and uncertainties such as those described in Medtronic's periodic reports on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results.

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