Medtronic News

Medtronic Acquires Aircraft Medical to Aid in the Preventable Issue of Respiratory Compromise

Aircraft's Offering Allows Clinicians a Single, Hybrid Device for All Intubations

DUBLIN - November 18, 2015 - In support of the company's therapy innovation strategy,Medtronic plc (NYSE:MDT) today announced it has acquired Aircraft Medical, a privately-held medical device company based in Edinburgh, Scotland, that develops affordable, handheld high-quality video laryngoscopes used by anesthesiologists and critical care professionals to intubate patients. The Aircraft Medical acquisition is an all-cash transaction of $110 million. Additional terms of the acquisition were not disclosed.

The acquisition expands Medtronic's portfolio of solutions for dealing with difficult airways and addresses the preventable issue of respiratory compromise, which consists of respiratory insufficiency, failure and arrest, dramatically increases the likelihood of adverse outcomes and cost of patient care.i, iiIt is the second-most frequently occurring preventable safety adverse eventiiiand is rapidly becoming the third-most costly hospital inpatient expense in the U.S. i

Aircraft Medical's devices enable clinicians to see a patient's vocal cords, allowing them to more quickly and effectively insert the breathing tube into the trachea. Video laryngoscopy is associated with an increased number of successful intubations, improved laryngeal views and more successful first-attempt intubations than direct laryngoscopy among patients with difficult airways.iv For an intubated patient, this helps maximize the chance for first-attempt success and reduces the use of multiple devices.

"Aircraft Medical's offerings complement our portfolio, helping us further our commitment to reducing incidents and potential complications from respiratory compromise globally. The company's laryngoscopes will play an important role in our airways portfolio as we develop and provide meaningful innovations that improve patient outcomes," said Steve Blazejewski, senior vice president and president of the Patient Monitoring & Recovery business, Minimally Invasive Therapies Group at Medtronic.

"We are pleased to be joining the Medtronic team as we strive to provide the McGrath® video laryngoscope platform to many more patients around the world," said Matt McGrath, founder and CEO of Aircraft Medical.

The transaction is expected to meet Medtronic's long-term financial metrics for acquisitions. Medtronic expects the net impact from this transaction to be earnings neutral in fiscal year 2016 and neutral to accretive to earnings thereafter. Medtronic will report revenue from the Aircraft Medical product line as part of its Patient Monitoring & Recovery division within the Minimally Invasive Therapies Group.

About Medtronic

Medtronic plc (www.medtronic.com), headquartered in Dublin, Ireland, is among the world's largest medical technology, services and solutions companies - alleviating pain, restoring health and extending life for millions of people around the world. Medtronic employs more than 85,000 people worldwide, serving physicians, hospitals and patients in approximately 160 countries. The company is focused on collaborating with stakeholders around the world to take healthcare Further, Together.

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 Aircraft Medical 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 Aircraft Medical'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 Aircraft

Medical, 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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i Wier LM, Henke R, Friedman B. Diagnostic Groups with Rapidly Increasing Costs, by Payer, 2001-2007: Statistical Brief #91. Healthcare Cost and Utilization Project (HCUP) Statistical Briefs. Rockville MD2010.

ii Kelley SA, Agarwal S, Parikh N, Erslon M, Morris P. Respiratory insufficiency, arrest and failure among medical patients on the general care floor. *Crit Care Med*. 2012;40(12):764.

iii Healthgrades website, "Quality Matters: Tackle the Top 3 Patient Safety Issues." https://www.hospitals.healthgrades.com/index.cfm/customers/e-newsletters/april-2013/quality-matters-tackle-the-top-3-patient-safety-issues/, Accessed October 20, 2015.

iv American Society of Anesthesiologists Task Force on Management of the Difficult Airway. Practice guidelines for management of the difficult airway. Anesthesiology. 2013;118(2):251-270.

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