Medtronic News

Medtronic to Expand Minimally Invasive Therapy Portfolio with Acquisition of Gynecology Business from Smith & Nephew

DUBLIN - May 18, 2016 - Medtronic plc (NYSE: MDT) today announced it has signed a definitive agreement to acquire Smith & Nephew's (NYSE: SNN; LSE: SN) gynecology (GYN) business for approximately $350 million. This agreement reinforces Medtronic's dedication to expanding the use of less invasive treatments and demonstrates a commitment to improving options for women with abnormal uterine bleeding (AUB). The addition of the GYN portfolio will expand and strengthen Medtronic's minimally invasive surgical offerings and will further complement its existing global GYN business. The acquisition is expected to close this summer.

Smith & Nephew's key GYN solution is the TRUCLEAR System, which is a medical technology platform used to remove abnormal uterine tissue such as polyps and fibroids. The TRUCLEAR System, currently available throughout the U.S. and parts of Europe, is a less invasive treatment option to surgical procedures such as a hysterectomy. The TRUCLEAR procedure is a minimally invasive surgical option that can be performed as an outpatient procedure. For more than 10 years, Smith & Nephew has developed medical devices in the GYN space.

"We believe gynecology is one of the most underserved specialty procedure areas. Smith & Nephew has developed a rapidly growing business that expands minimally invasive treatment options for gynecology patients," said Chris Barry, senior vice president and president of the Surgical Innovations business, Minimally Invasive Therapies Group at Medtronic. "This acquisition expands our existing GYN portfolio and we believe creates opportunities to further explore and develop global therapies and solutions that improve GYN surgery."

Currently, 100 million women worldwide suffer from AUB and less than 15 percent receive treatment annually1. Treatment options for AUB include medical therapy, dilation and curettage, polypectomy, global endometrial ablation, hysterectomy, myomectomy and electrical hysteroscopic tissue resection.

This acquisition supports Medtronic's therapy innovation and economic value strategies. Partnering with stakeholders in healthcare, Medtronic is positioned to offer products and services that deliver clinical and economic value to the healthcare system. Medtronic is focused on leading the shift to value based healthcare, which rewards those who can deliver quality healthcare to more people at the most affordable cost.

This transaction is expected to meet Medtronic's long-term financial metrics for acquisitions. Medtronic expects the net impact from the transaction to be earnings neutral in fiscal year 2017 and accretive to earnings thereafter. Medtronic will report the acquired GYN business as part of its Surgical Solutions division within the Minimally Invasive Technologies 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 Smith & Nephew GYN business 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 Smith & Nephew's GYN operations into Medtronic's,

delays or obstacles in realizing the anticipated future benefits (including cost savings and other synergies) resulting from the acquisition of Smith & Nephew GYN business, 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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1 Medtronic internal data on file.

Contacts:

John Jordan
Public Relations
+1-508-452-4891

Ryan Weispfenning
Investor Relations
+1-763-505-4626

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