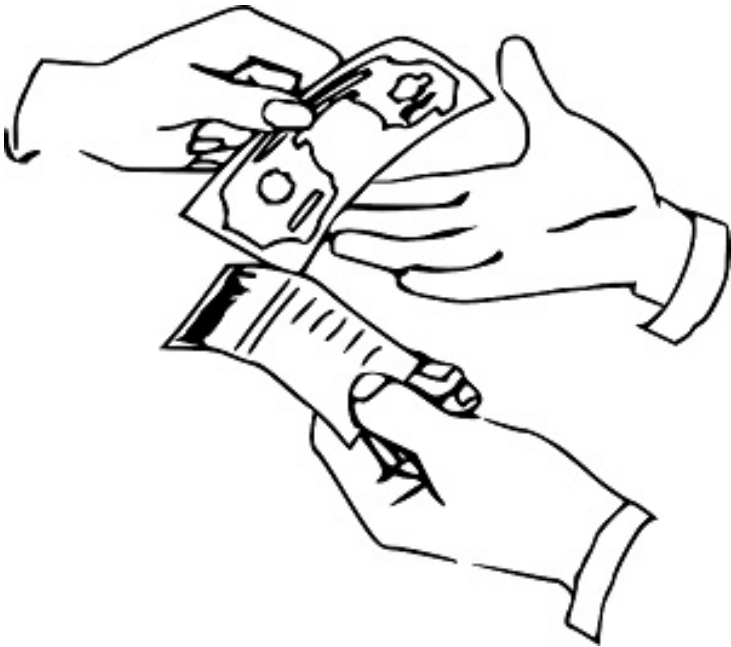


## Medtronic to acquire RF Surgical Systems

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Medtronic has announced that it has signed a definitive agreement to acquire RF Surgical Systems Inc, focused on the detection and prevention of retained surgical items (sponge, gauze or towel) for approximately \$235 million. Additional terms of the acquisition were not disclosed.

The RF Surgical system is designed to be used as an adjunct to manual counting methods to help prevent such surgical sponge-related never events, which are serious, largely preventable, and harmful clinical events. The proprietary detection system uses a low radio frequency (RF) signal to track and detect surgical gauze, sponges and towels (embedded with a RF tag) through blood, dense tissue and bone. The technology aims to reduce patient complications due to surgery, lessen unnecessary procedures, and increase efficiencies within the operating room.

"Patients are our priority. Improving patient safety and outcomes is our daily focus, which directly aligns with the RF Surgical technology, a simple and cost-effective solution to avoidable complications in surgical procedures," said Mr Chris Barry, senior vice-president and president of the Surgical Innovations business, Minimally Invasive Therapies Group at Medtronic.

"We are pleased to be joining the Medtronic team as their long-standing commitment to patient safety closely aligns with RF Surgical" said Mr John T Buhler, CEO of RF Surgical. He added, "As we strive to make the RF Surgical technology the global standard of care, we look forward to the innovation opportunity afforded by our combined capabilities."

Medtronic will report the RF Surgical business as part of its Surgical Solutions division within the Minimally Invasive Technologies Group. The transaction is expected to meet its long-term financial metrics for acquisitions, and the annualized

earnings impact of this acquisition is not expected to be material. The deal is expected to close in August 2015, pending regulatory approvals.