

Medtronic to Acquire RF Surgical Systems, Developer of Detection System for the Prevention of Retained Surgical Sponges

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Technology Designed to Prevent Surgical-Related "Never Events"

DUBLIN-- July 13, 2015 -- Medtronic plc ([NYSE:MDT](#)) today announced it has signed a definitive agreement to acquire RF Surgical Systems, Inc., a medical device company based in Carlsbad, Calif., 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.

Despite rigorous surgical sponge counting protocols and medical society-driven awareness efforts, occasionally surgical items are left inside patients after wound closure. A sponge, gauze or towel left inside a patient may require additional x-rays and corrective surgical procedures to remove the retained surgical items. Left untreated, retained surgical items could cause serious and life-threatening issues such as intra-abdominal abscess, intestinal fistula or obstruction, perforated colon, hemorrhaging or infection.

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 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 John T. Buhler, CEO of RF Surgical, Inc. "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."

This acquisition supports Medtronic's economic value strategy. Partnering with stakeholders in healthcare, Medtronic is moving 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.

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 Medtronic's 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.

Multimedia

To see an animation of the RF Assure Detection System, visit: <https://youtu.be/WJuPPecyIjI>

ABOUT MEDTRONIC

Medtronic plc (www.medtronic.com), headquartered in Dublin, Ireland, is the global leader in medical technology -- alleviating pain, restoring health and extending life for millions of people around the world.

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 RF Surgical Systems, Inc. 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 RF Surgical'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 RF Surgical, 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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