

Boston Scientific Agrees to Acquire Xlumena

MARLBOROUGH, Mass. and MOUNTAIN VIEW, Calif., April 1, 2015 [/PRNewswire/](#) -- Boston Scientific Corporation (NYSE: BSX) announces that it has signed a definitive agreement to acquire Xlumena, Inc., a venture-backed medical device company that develops, manufactures and sells minimally invasive devices for Endoscopic Ultrasound (EUS) guided transluminal drainage of targeted areas within the gastrointestinal tract. The deal is expected to close this week.

The Xlumena portfolio includes the AXIOS™ and HOT AXIOS™ Stent and Delivery Systems. The AXIOS Stent and Delivery System has received U.S. Food and Drug Administration (FDA) clearance and is the world's first stent designed for endoscopic ultrasound-guided transluminal drainage of symptomatic pancreatic pseudocysts. The next-generation HOT AXIOS™ Stent and Delivery System incorporates cautery into the delivery of the AXIOS stent. Both systems have CE Mark for facilitating transgastric or transduodenal endoscopic drainage of pancreatic pseudocysts or the biliary tract. These products are currently sold in select countries in Europe.

"We believe the acquisition of Xlumena and their minimally-invasive products combined with the Boston Scientific broad product portfolio demonstrates our commitment to advancing the field of interventional EUS therapeutics," said David Pierce, senior vice president and president, Endoscopy, Boston Scientific. "Our combined technologies enable physicians to diagnose and treat diseases of the pancreatico-biliary system using less invasive procedures. We are very pleased to be able to accelerate the global reach of the AXIOS™ stent and to be at the forefront of this fast growing segment."

The AXIOS™ technology platform broadens the Boston Scientific portfolio of minimally-invasive approaches to treat pancreatic pseudocysts which may be caused by pancreatitis (acute or chronic inflammation of the pancreas), pancreatic ductal obstruction or trauma. The acquisition accelerates the Boston Scientific commitment to lead the EUS segment by coupling the Expect family of Fine Needle Aspiration (FNA) needles with the leader in therapeutic EUS.

"We are proud to see our technology evolve in conjunction with Boston Scientific's portfolio and provide patients a holistic and minimally invasive solution," said Greg Patterson, president and chief executive officer of Xlumena.

The agreement calls for an upfront payment of \$62.5 million, an additional payment of \$12.5 million upon FDA clearance of the HOT AXIOS product, and further sales-based milestones based on sales achieved through 2018. Boston Scientific currently expects the net impact of this transaction on adjusted earnings per share to be immaterial for years 2015 and 2016 and break-even to accretive thereafter, and more dilutive on a GAAP basis as a result of acquisition-related net charges and amortization.

CAUTION: The HOT AXIOS and AXIOS devices for the gallbladder and bile duct have CE mark designation in Europe. They are not available for sale in the United States.

About Boston Scientific

Boston Scientific transforms lives through innovative medical solutions that improve the health of patients around the world. As a global medical technology leader for more than 35 years, we advance science for life by providing a broad range of high performance solutions that address unmet patient needs and reduce the cost of healthcare. For more information, visit www.bostonscientific.com and connect on [Twitter](#) and [Facebook](#).

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words like "anticipate," "expect," "project," "believe," "plan," "estimate," "intend" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. These forward-looking statements include, among other things, statements regarding our business plans, the acquisition and its impact, including expected accretion and dilution, markets for our products and our performance in those markets, and product performance and impact. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by our forward-looking statements. These factors, in some cases, have

affected and in the future (together with other factors) could affect our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by the statements expressed in this press release. As a result, readers are cautioned not to place undue reliance on any of our forward-looking statements.

Factors that may cause such differences include, among other things: future economic, competitive, reimbursement and regulatory conditions; new product introductions; demographic trends; intellectual property; litigation; financial market conditions; and, future business decisions made by us and our competitors. All of these factors are difficult or impossible to predict accurately and many of them are beyond our control.

For a further list and description of these and other important risks and uncertainties that may affect our future operations, see Part I, Item 1A – *Risk Factors* in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, which we may update in Part II, Item 1A – *Risk Factors* in Quarterly Reports on Form 10-Q we have filed or will file hereafter. We disclaim any intention or obligation to publicly update or revise any forward-looking statements to reflect any change in our expectations or in events, conditions, or circumstances on which those expectations may be based, or that may affect the likelihood that actual results will differ from those contained in the forward-looking statements. This cautionary statement is applicable to all forward-looking statements contained in this document.

Use of Non-GAAP Financial Measures

To supplement our consolidated financial statements presented on a GAAP basis, we disclose certain non-GAAP financial measures including adjusted earnings per share. Adjusted earnings per share excludes goodwill and intangible asset impairment charges; acquisition-, divestiture-, litigation- and restructuring-related charges and credits; certain discrete tax items and amortization expense. Non-GAAP measures such as adjusted earnings per share are not in accordance with generally accepted accounting principles in the United States. The GAAP financial measure most directly comparable to adjusted earnings per share is GAAP earnings per share. The difference between our estimated impact of the acquisition on our GAAP and adjusted earnings per share relates to amortization expense on acquired intangible assets and acquisition-related net charges, which primarily include exit costs and other fees. These amounts are excluded by the Company for purposes of measuring adjusted earnings per share.

Management uses adjusted earnings per share along with other supplemental non-GAAP measures to evaluate performance period over period, to analyze the underlying trends in our business, to assess its performance relative to its competitors, and to establish operational goals and forecasts that are used in allocating resources. Non-GAAP financial measures, including adjusted earnings per share, should not be considered in isolation from or as a replacement for GAAP financial measures. We believe that presenting non-GAAP financial measures in addition to GAAP financial measures provides investors greater transparency to the information used by our management for its financial and operational decision-making and allows investors to see our results "through the eyes" of management. We further believe that providing this information better enables our investors to understand our operating performance and to evaluate the methodology used by management to evaluate and measure such performance.

CONTACT:

Nisha Deo
408-893-9243 (cell)
Media Relations
Boston Scientific Corporation
Nisha.Deo@bsci.com

Susie Lisa, CFA
508-683-5565 (office)
Investor Relations
Boston Scientific Corporation
investor_relations@bsci.com

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