

Boston Scientific Announces Five-Year, \$150 Million Investment in China to Accelerate Commercial Expansion

NATICK, Mass., July 27, 2011 [PRNewswire/](#) -- Boston Scientific Corporation's (NYSE: BSX) Board of Directors has approved a five-year, \$150 million investment in China to expand its commercial presence in one of the world's largest and fastest-growing medical device markets. This new investment will support the establishment of a local, wholly owned manufacturing facility focused on serving Chinese market needs and developing a world-class training center for Chinese healthcare providers. The training facility will offer instruction on the latest medical device procedures, utilizing therapy-oriented education and a leading-edge, virtual learning, device simulation environment.

In addition to activities associated with this investment, the Company also expects to further invest in R&D and clinical studies while increasing its employee base in China from approximately 200 to more than 1,200 during the period. These initiatives are expected to drive an expansion of Boston Scientific's current sales force to approximately 700 employees and the creation of a fully staffed manufacturing infrastructure, enabling Boston Scientific to better bring its innovative and life-saving technologies to Chinese physicians and their patients.

As a result of this increased investment, as well as current and anticipated initiatives, Boston Scientific now expects to increase its revenues in China to more than \$500 million exiting 2016. The Company estimates that its target market in China currently exceeds \$1 billion and is growing approximately 20 percent annually. This investment supports and is consistent with our strategic financial objectives communicated at the November 2010 Investor Day.

"The Chinese medical device market, while rapidly evolving and challenging, presents a significant growth opportunity for the Company," said Ray Elliott, President and Chief Executive Officer of Boston Scientific. "By establishing a strong local manufacturing foundation and supporting infrastructure, we believe we will be better positioned to become a leading medical device company in China, serving the population's burgeoning healthcare needs with innovative products and treatment options. Achieving that goal, however, requires expanding our commercial footprint in terms of size, scale and scope."

Winning Global Market Share

Winning global market share represents the "W" of Boston Scientific's POWER business strategy. This new investment, along with current investments of \$30 to \$40 million through 2011 in Emerging Markets such as China, Brazil and India, clearly reflect the POWER strategy in action. In China, the Company's growth-acceleration strategy is evident in its current and planned business activities, which include:

- Receipt of registration approval for the PROMUS Element™ Everolimus-Eluting Platinum Chromium Coronary Stent from the State Food and Drug Administration of the People's Republic of China in May 2011 and an expected launch of the product in the fourth quarter of 2011.
- Start of patient enrollment in January 2011 of the PLATINUM China clinical trial designed to evaluate the Company's PROMUS Element™ Stent compared to the TAXUS® Liberte® Paclitaxel-Eluting Coronary Stent in the treatment of patients with a single *de novo* atherosclerotic lesion. The trial involves 500 local patients at 15 sites in China.
- Launch of the ALTRUA™ pacemaker in April 2011, the first Boston Scientific-branded Cardiac Rhythm Management (CRM) device to be registered in China.
- Introduction of the IVUS (Intravascular Ultrasound) Academy, a physician education program offering IVUS training across China, in May 2011.
- Establishment of a Technology Center in Shanghai focused on developing products to meet the unique needs of emerging markets while partnering with local resources and expertise. Opened earlier this year, it is expected that the Center will continue to expand and complement sales growth in the region. The Company also expanded its sales offices in Shanghai and Beijing in the second quarter, and is planning four additional sales offices, extending the Company's penetration into local geographies across the country.
- Development of a Chinese Clinical Hub to initiate and support clinical trials in China for locally manufactured devices while providing a regional focus for the Company's global clinical trial portfolio. The hub will coordinate initiatives aimed at optimizing clinical trial execution in China and other markets. Similar hubs are planned in India and Brazil, allowing clinical teams to have closer interaction with local patients, regulators and physicians.

"We believe there are significant opportunities to accelerate our growth in China, where our market share is a fraction of what it is in the U.S. and Europe," said Larry Neumann, Senior Vice President and President, Emerging Markets at Boston Scientific. "Adding to the market potential is the growing affluence of the local population and the Chinese government's commitment to spend \$125 billion on its healthcare system in the next five years. We think the time is right to make additional investments to help fuel our growth, help us win global share, gain access to diverse talent and bring our less-invasive therapies to more patients in China."

About Boston Scientific

Boston Scientific is a worldwide developer, manufacturer and marketer of medical devices whose products are used in a broad range of interventional medical specialties. For more information, please visit: www.bostonscientific.com.

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 strategic initiatives, our business and investment plans in China, the market for our products in China and our share of that market, our financial performance in China and other emerging markets, new product launches and launch cadence, regulatory approvals, clinical trials (including clinical trial plans in emerging markets), product performance, training programs and competitive offerings. 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, political, environmental, competitive, reimbursement, legal 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.

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