Boston Scientific

Boston Scientific To Acquire IoGyn, Inc.

Innovative Technology Designed to Treat Intrauterine Fibroids and Polyps

NATICK, Mass. and CUPERTINO, Calif., May 6, 2014 /PRNewswire/ -- Boston Scientific Corporation (NYSE: BSX) has signed a definitive agreement to acquire IoGyn, Inc., a pre-commercial stage company. The transaction is expected to close within days. IoGyn has developed and received U.S. Food and Drug Administration (FDA) clearance for the Symphion™ System, a next generation system for hysteroscopic intrauterine tissue removal including fibroids (myomas) and polyps. This acquisition enables the pairing of the Symphion System with the Boston Scientific Genesys HTA™ System for abnormal uterine bleeding, to create a compelling set of gynecologic surgery products.

The Symphion System broadens the Boston Scientific portfolio of minimally-invasive approaches for surgeons to treat debilitating gynecologic conditions that affect millions of women worldwide. The Symphion System's hysteroscopic approach resects the growth within the uterus and removes the tissue through its recirculating and filtering fluid management system. An alternative approach that uses "power morcellation" during laparoscopic procedures was noted in a recent FDA safety communication to worsen the spread of a rare cancer, sarcoma, within the abdominal cavity. In contrast, the Symphion System treats fibroids and polyps within the uterus and evacuates the tissue under suction. Boston Scientific is not aware of any reported cases of sarcoma spreading by the surgical removal of tissue within the uterus.

Hysteroscopic removal of symptomatic fibroids and polyps is less invasive and typically safer than common surgical approaches like hysterectomy, and is also designed to preserve a woman's ability to have children.

Fibroids and polyps, which affect an estimated two million women in the U.S. per year, are benign uterine growths that are symptomatic about a quarter of the time, and can cause pain and cramping, incontinence, constipation, excessive bleeding and infertility. Hysteroscopic removal involves the trans-cervical insertion of specialized tools into the uterus under direct visualization to remove targeted tissue. Boston Scientific estimates the current worldwide hysteroscopic market segment at $80 million, with projections that it will grow to more than $200 million by 2020.

"IoGyn offers minimally-invasive approaches that we believe are more cost-effective for patients, surgeons and the health care system," said Karen Prange, senior vice president and president, Urology and Women's Health, Boston Scientific. "This new technology platform is designed to address unmet patient and physician needs, and we believe it represents a truly differentiated improvement compared to existing technologies in the fast-growing hysteroscopic fibroid removal market segment. Among its features, the Symphion System includes a closed-loop fluid management system designed to prevent potentially dangerous fluid overload in the patient, and a radio frequency approach that facilitates rapid tissue removal."

"The Symphion bipolar hysteroscopy system enables the gynecologic surgeon to provide an efficient, reliable and accurate hysteroscopic surgery," said Dr. Andrew Brill, director, Minimally Invasive Gynecology at California Pacific Medical Center in San Francisco.

Prior to the acquisition, Boston Scientific held approximately 28 percent equity ownership, in addition to notes receivable of approximately $8 million. Total consideration included a net cash payment of approximately $65 million at closing to acquire the remaining 72 percent of IoGyn and repay outstanding debt. Boston Scientific expects the transaction to have an immaterial impact on its adjusted earnings per share in 2014 and 2015, and to be accretive starting in 2016. On a GAAP earnings per share basis, Boston Scientific expects the transaction to be slightly accretive in 2014 as a result of a non-cash acquisition-related gain on its previously held equity investment, immaterial in 2015 and 2016, and to be less accretive than adjusted earnings per share thereafter as a result of acquisition-related net charges and amortization, which will be determined following the closing.

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 30 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.

About IoGyn
IoGyn is a medical device start-up located in Cupertino, California focused on the development of safe and effective products for minimally-invasive gynecological surgery.

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, new markets for our products, product performance and impact, competitive offerings, the impact of the transaction including expected accretion and dilution, and timing of closing. 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 acquisition-related gains on our previously held equity investment, 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.

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