

## **Boston Scientific Outlines Growth And Expansion Strategy At 2015 Investor Day**

MARLBOROUGH, Mass., May 1, 2015 /[PRNewswire](#)/ -- Boston Scientific Corporation (NYSE: BSX) is presenting an overview of its continued business momentum and long-term growth strategies at a meeting with the investment community today in New York City. President and Chief Executive Officer Mike Mahoney will outline the unique opportunities the company has to bring forward meaningful innovation to transform patient care, expand globally into fast growing markets and deliver shareholder value.

"We are focused on addressing the unmet needs of patients, physicians and healthcare systems through differentiated technologies and comprehensive portfolios within the market categories where we have deep expertise," said Mahoney. "We are also employing a collaborative approach to offering value based solutions through new partnerships aimed at improving outcomes and reducing healthcare costs."

### **Meaningful Innovation**

Boston Scientific products reach more than 20 million patients around the globe annually. The company has sustained or grown share in the majority of its businesses, and estimates that it holds the number one or number two position in five out of seven businesses. These efforts are supported by planned investments of more than \$800 million per year in research and development through 2019. During today's meeting, Boston Scientific senior leaders from each of the company's businesses will highlight new products, pipeline technologies and strategic agreements.

**Cardiovascular:** Boston Scientific continues to advance its drug-eluting stent portfolio with the ongoing clinical program for the SYNERGY™ Everolimus-Eluting Bioabsorbable Polymer Platinum Chromium Coronary Stent<sup>\*</sup>, and anticipated FDA approval by year-end 2015. The company is also announcing today the internal development of a fully resorbable stent platform. Additionally, new agreements with MedAxiom and TogetherMD are focused on improving clinical outcomes and lowering costs of delivering cardiovascular care through customized programs. In the company's emerging structural heart business, next generations of the WATCHMAN™ Left Atrial Appendage Closure platform and the Lotus™ Valve<sup>\*</sup> platform are planned to launch in Europe later this year. In peripheral intervention, the company is broadening its atherectomy and thrombectomy portfolio with its integration of the Bayer AG's Interventional business and a U.S. distribution agreement with C.R. Bard, Inc. for the Lutonix® Drug Coated Balloon. Boston Scientific's Eluvia™ Drug-Eluting Vascular Stent System<sup>\*\*</sup> is expected to launch in Europe in 2016 and enrollment continues in a novel clinical trial of its Vessix™ Renal Denervation System<sup>\*</sup> for patients with hypertension.

**Rhythm Management:** Boston Scientific continues to deliver innovative technologies with the soon-to-be-launched second generation EMBLEM™ Subcutaneous Implantable Defibrillator System (S-ICD) System. Today the company will present plans for achieving MRI conditional-safe labeling across its pacemaker and ICD, S-ICD and CRT-D platforms, and a leadless pacemaker development program targeting the ability to pair with the EMBLEM S-ICD. In addition, the company plans to deliver next generation ablation catheter platforms including an open irrigated<sup>+</sup> version of IntellaTip MiFi™ and the IntellaNav™ family of navigation-enabled catheters. These new investments are examples of the company's deliberate focus on the electrophysiology space and are expected to be built upon the foundation of technologies including the EnduraLife™ Battery Technology and Rhythmia™ Mapping System.

**MedSurg:** The planned acquisition of the American Medical Systems urology portfolio is expected to extend

Boston Scientific's leadership across five segments of the urology market and create a diverse and comprehensive portfolio. Today Boston Scientific will highlight a new "Stent Tracker" mobile solution to assist providers in electronically tracking indwelling stents for kidney stone patients. The company is also augmenting its endoscopy portfolio through the launch of the SpyGlass™ DS Direct Visualization System used for cholangioscopy and pancreatoscopy procedures, and the acquisition of Xlumena Inc.'s AXIOS™ Stent offerings for endoscopic ultrasound guided transluminal drainage. The Neuromodulation business continues to advance its platforms to treat severe movement disorders including Parkinson's disease, dystonia and essential tremor, through its clinical program for the Vercise™ Deep Brain Stimulator System, as well as the Precision Novi™ primary cell<sup>+</sup> non-rechargeable Spinal Cord Stimulation System slated to launch in Europe in the second half of 2015.

## **Expanding Globally into Fast Growing Markets**

"We continue to broaden our geographic reach and diversify our portfolio into markets with compelling growth opportunities," said Dan Brennan, executive vice president and chief financial officer. "We are entering segments within each of our markets that are projected to grow faster than the overall market over the next five years, and we expect to continue to diversify our portfolio away from 60 percent in slower growth markets in 2012 to 40 percent by 2019."

The company also continues to increase penetration into emerging markets, which represented 10 percent of sales in 2014 on a reported basis, up from 8 percent in 2013. The company plans to move emerging market mix to 15 percent of sales in 2017 on a constant currency basis. Additionally, a strategic alliance with Frankenman Medical Equipment is expected to support continued growth, development and manufacturing capabilities in China, and further expand the company's global footprint while accelerating development of the country's minimally invasive endoscopy market.

The recent opening of the Boston Scientific Institute for Advancing Science (IAS) in China is expected to drive further adoption of minimally invasive procedures and the development of products uniquely suited for this market. Additional Boston Scientific IAS sites are planned to open in South Africa, Turkey and India.

## **Driving Shareholder Value**

Following strong financial results in 2014 and the first quarter of 2015, the company is targeting at- or above-market operational revenue growth, and consistent double-digit adjusted EPS growth (excluding the negative impact of foreign currency) through ongoing operating margin improvement initiatives, and a differentiated five-year growth strategy aims for 25 percent adjusted operating margins by 2017. In addition, the company will highlight its goal of increasing adjusted operating margins by an additional 50 to 100 basis points annually in 2018 and 2019.

## **About Today's Meeting**

Investors and other interested parties may access this meeting by visiting the company's website at [www.bostonscientific.com/investors](http://www.bostonscientific.com/investors). Complete archives and summary materials from today's presentations will be also be available online for approximately one year.

## **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](http://www.bostonscientific.com) and connect

on [Twitter](#) and [Facebook](#).

\*CE marked. Investigational device and not available for use or sale in the U.S.

\*\* Pending CE Mark, not available for use or sale in the U.S.

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## 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, our financial performance, our positioning for revenue and earnings growth, our adjusted operating margin improvement initiatives, product development, new product launches and launch cadence, regulatory approvals, markets for our products, product portfolio diversification, emerging market sales mix, opening of Boston Scientific IASs, the alliance with Frankenman Medical Equipment Company, 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 Information

A reconciliation of the company's non-GAAP financial measures to the corresponding GAAP measures, and an explanation of the company's use of these non-GAAP financial measures, is included below.

### Adjusted Operating Margin - FY 2017 Estimate

Estimated Operating Margin, reported	20.0%
Add: Non GAAP Adjustments	<u>5.0%</u>
<b>Estimated Operating Margin - Adjusted</b>	<b><u>25.0%</u></b>

CONTACT:

Kelly Leadem  
508-683-5543 (office)  
Media Relations  
Boston Scientific Corporation  
[kelly.leadem@bsci.com](mailto:kelly.leadem@bsci.com)

Susie Lisa, CFA  
508-683-5565 (office)  
Investor Relations  
Boston Scientific Corporation  
[investor\\_relations@bsci.com](mailto:investor_relations@bsci.com)

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