Boston Scientific

Boston Scientific Amends Credit Facility and Prepays $1 Billion on Loan

NATICK, Mass., Aug. 23 /PRNewswire-FirstCall/ -- Boston Scientific Corporation (NYSE: BSX) today announced that it has successfully amended its $2 billion revolving line of credit and $5 billion term loan agreement, providing the Company additional financial flexibility as it implements initiatives designed to increase shareholder value.

"We were pleased to work with our lenders to amend our credit facility," said Jim Tobin, President and Chief Executive Officer of Boston Scientific. "These changes provide significant financial flexibility that will assist us as we execute our plan to divest non-strategic assets, monetize our investment portfolio, and reduce expenses and head count, as well as achieve our broader goal of increasing shareholder value."

Among other items, the amendment extends a step-down in the maximum permitted leverage ratio (total debt divided by EBITDA [Earnings Before Interest, Taxes, Depreciation and Amortization]) as follows:

From:	To:
4.5 times to 3.5 times on March 31, 2008	4.5 times to 4.0 times on March 31, 2009, and 4.0 times to 3.5 times on September 30, 2009

The amendment clarifies the definition of EBITDA to exclude up to $300 million of any restructuring charges incurred through June 30, 2009 and up to $500 million of any litigation charges -- less any litigation income recorded -- each year through June 30, 2009. In addition, the amendment changes the application of any term loan pre-payments from pro-rata across maturities to the chronological order of maturities.

The amended credit facility and resulting financial flexibility are part of the Company's previously announced plans to strengthen operating and financial performance.

In connection with the amended agreement, Boston Scientific prepaid $1 billion of its term loan using $750 million from cash on hand and $250 million from a credit facility secured by U.S. receivables, resulting in a gross debt reduction of $750 million. The $1 billion prepays the April 2008 term loan obligation of $650 million and reduces the $650 million April 2009 obligation by $350 million. After paying down $1 billion of its term loan, the Company has nearly $1 billion of cash on hand and full access to its $2 billion undrawn revolving credit facility. Finally, interest rate margins and fee rates for the amended credit facility remain unchanged.

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: http://www.bostonscientific.com/.

Cautionary Statement Regarding Forward Looking Statements

This press release contains forward-looking statements within the meaning of 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 financial performance, our growth strategy, our expense reduction initiatives, our capital needs and expenditures, potential acquisitions and divestitures, our debt repayment strategy, our operational strategy, and our market position. 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 IA- 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 thereafter. 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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