Boston Scientific

Boston Scientific Announces Third Quarter Results

(October 19, 2004) -- Boston Scientific Corporation (NYSE: BSX) today announced financial results for its third quarter ended September 30, 2004.

Highlights:

- Net sales of $1.482 billion, an increase of 69%
- Worldwide stent revenue of $686 million, an increase of 405%
- Gross margins of 79%
- Net income, excluding net special charges, of $404 million, an increase of 195%
- Earnings per share, excluding net special charges, of $0.47 per share

Net sales for the third quarter were $1.482 billion as compared to $876 million for the third quarter of 2003, an increase of 69 percent. Excluding the favorable impact of $32 million of foreign currency fluctuations, net sales were $1.45 billion, an increase of 66 percent. Worldwide coronary stent sales for the third quarter were $686 million as compared to $136 million for the third quarter of 2003, an increase of approximately 405 percent. Worldwide sales of our TAXUS™ Express^{2}™ paclitaxel-eluting coronary stent system during the quarter were $640 million.

Reported net income for the quarter, including net special charges of $146 million (after-tax), was $258 million, or $0.30 per share, as compared to reported net income of $124 million, or $0.15 per share, in the third quarter of 2003. The net special charges include a $71 million enhancement to the Company's 401(k) retirement plan and a $75 million provision for legal and regulatory exposures.

Net income for the quarter, excluding net special charges, increased 195 percent to $404 million, or $0.47 per share, as compared to $137 million, or $0.16 per share, excluding net special charges, in the third quarter of 2003. The results also include a $0.03 dilution to earnings from the operating results of Advanced Bionics, which Boston Scientific acquired on June 1, 2004.

"With nearly 70 percent sales growth, 200 percent earnings growth and 80 percent gross margins, this quarter was one of the best performances in our history," said Jim Tobin, President and Chief Executive Officer of Boston Scientific. "The quarter also saw the continued broad acceptance of our TAXUS coronary stent system, which is proving itself to be the revolutionary technology we had hoped it would become. We also made progress during the quarter on our next-generation coronary stent system as well as several other promising projects in our pipeline."

Boston Scientific officials will be discussing these and other issues with analysts on a conference call at 9:00 a.m. (ET) Tuesday, October 19. The Company will webcast the call to all interested parties through its website: www.bostonscientific.com. Please see the website for details on how to access the webcast. The webcast will be available for 10 business days on the Boston Scientific website.

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.

The Company discloses non-GAAP or pro forma measures that exclude certain charges. Non-GAAP measures may exclude such items as charges related to purchased in-process research and development and certain litigation. Management uses these measures to establish operational goals, and believes that non-GAAP measures may assist investors in analyzing the underlying trends in the Company's business over time. Investors should consider these non-GAAP measures in addition to, not as a substitute for, or as superior to, financial reporting measures prepared in accordance with GAAP.

This press release contains forward-looking statements. The Company wishes to caution the reader of this press release that actual results may differ from those discussed in the forward-looking statements and may be adversely affected by, among other things, risks associated with new product development and introduction, clinical trials, regulatory approvals, competitive offerings, intellectual property, litigation, the Company's relationship with third parties, the Company's overall business strategy, and other factors described in the Company's filings with the Securities and Exchange Commission.

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