

Medtronic Completes Acquisition of Percusurge – Dec 21st 2000

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Combination Will Fuel Leadership in Interventional Embolic Protection Devices

MINNEAPOLIS, MN, and SUNNYVALE, CA, December 21, 2000 - Medtronic, Inc. (NYSE: MDT), today announced that shareholders of PercuSurge, Inc. have approved the proposed acquisition agreement and that the transaction closed today. Under the terms of the agreement announced October 19, 2000, shareholders of PercuSurge will receive .0802847 shares of Medtronic common stock for each share of PercuSurge they now hold.

PercuSurge, a privately held company founded in 1995, now joins the Medtronic Vascular organization, which is headquartered in Santa Rosa, Calif. Gary Mistlin will lead the PercuSurge organization and will report to Andy Rasdal, president of Medtronic Vascular. Peter Rule will act as senior consultant to Rasdal on a variety of agreed-upon projects.

PercuSurge has a number of products under development to treat complications arising from the release of embolic debris during interventional procedures. Its current product, the PercuSurge GuardWire Plus Temporary Occlusion and Aspiration system, is designed to allow cardiologists and other interventional specialists to capture embolic debris that might otherwise block downstream vessels and branches during interventional procedures and damage the heart.

The GuardWire Plus system consists of a balloon-tipped guidewire, which is inflated briefly to occlude blood flow and capture any material dislodged from the wall of the vessel during placement of a stent upstream. Captured material is then withdrawn by using the PercuSurge Export aspiration catheter before the balloon of the GuardWire Plus is deflated and blood flow restored.

The device has been used in over 5,000 procedures since its release in Europe during 1999 and was the first distal protection product to be commercialized there. The product's first targeted indication is for the treatment of degenerated saphenous vein grafts that show signs of disease following heart bypass surgery.

The GuardWire Plus is an investigational device in the United States. This fall, PercuSurge submitted U.S. clinical data from its SAFER study (Saphenous Vein Graft Angioplasty Free of Emboli Randomized Trial) for consideration by the U.S. Food and Drug Administration (FDA). Medtronic expects to receive FDA approval for the GuardWire Plus sometime during the first half of calendar year 2001.

Medtronic, Inc., headquartered in Minneapolis, is the world's leading medical technology company, providing lifelong solutions for people with chronic disease. Its Internet address is www.medtronic.com. Medtronic AVE, formerly Arterial Vascular Engineering, Inc., is headquartered in Santa Rosa, Calif.