

ABBOTT EXPANDS ITS MEDICAL DEVICE BUSINESS WITH ACQUISITION IN CATHETER-BASED ELECTROPHYSIOLOGY MARKET

Abbott Enters Large and Growing Catheter-Based Electrophysiology Market with Next-Generation Technologies to Improve Treatment of People with Atrial Fibrillation

ABBOTT PARK, Ill., Oct. 29, 2014 /PRNewswire/ -- Abbott (NYSE: ABT) today announced that it has entered into an agreement to purchase Topera, Inc., a private, venture-backed medical device company focused on developing innovative electrophysiology technologies to improve the diagnosis and treatment of atrial fibrillation, one of the most common heart rhythm disorders in the world. Through this acquisition, Abbott enters the catheter-based electrophysiology market, an approximately \$3 billion global market that has been growing annually at double-digit rates.

Topera, Inc. has developed a novel diagnostic catheter and mapping software, or rotor identification system, which help physicians identify and target the specific areas of a person's heart that are perpetuating atrial fibrillation. Under the terms of the acquisition, Abbott will acquire all outstanding equity of Topera for \$250 million upfront, plus potential future payments tied to performance milestones.

Topera's rotor identification system has been shown, when used with existing catheter ablation therapy, to result in positive long-term success rates, even in difficult-to-treat cases. According to an independent, multi-center, physician-sponsored study, using Topera's system with catheter ablation resulted in a single-procedure success rate of 87.5 percent in patients undergoing a first ablation procedure, and an 80.5 percent success rate for all patients after a one-year follow-up.¹ This compares to only a 50 to 60 percent success rate for patients treated with existing catheter ablation therapy alone.² During ablation procedures a catheter is placed in a specific area of the heart, where it uses energy to disrupt the abnormal electrical activity linked to atrial fibrillation. In addition to improving long-term outcomes with fewer procedures, using Topera's rotor mapping system may result in shorter ablation times for some procedures because it identifies and targets the specific areas in an individual patient's heart that are perpetuating the irregular heartbeats.³

In a separate transaction in the electrophysiology market, Abbott has secured the right to purchase Advanced Cardiac Therapeutics, Inc. (ACT) in the future, upon completion of key milestones. ACT, a private, venture-backed company, is developing a novel ablation catheter designed to improve the safety and effectiveness of ablation procedures. Financial terms were not disclosed.

"There is significant room to use advanced rotor identification technologies to improve the success rate and reduce the need for multiple ablation procedures, and thus improve the health of people with atrial fibrillation," said John M. Capek, Ph.D., executive vice president, Medical Devices, Abbott. "The Topera acquisition and our agreement with ACT provide a foundational entry into the large, high-growth electrophysiology market, with differentiated technologies that can transform the way physicians treat people with complex heart rhythm disorders."

"Topera's mapping technology has the potential to change the paradigm for how physicians approach treating people with atrial fibrillation," said John Miller, M.D., professor of Medicine and director of Clinical Cardiac Electrophysiology at Indiana University Health. "The ability to more accurately target the areas of the heart perpetuating atrial fibrillation is a significant advancement in the field of electrophysiology, which may allow us to treat more people with atrial fibrillation and lead to better health results."

Abbott's electrophysiology business will be led by industry veteran Michael Pederson, who joins Abbott from VytronUS, Inc., a privately held medical device company, where he was president and chief executive officer.

Heart Rhythm Disorders

The human heart has its own electrical system, responsible for ensuring the heart beats regularly and pumps blood efficiently. In some people, the heart's electrical system exhibits abnormal impulses that result in heart rhythm disorders. These abnormal impulses are believed to be often sustained by rotors, which are complex spiral electrical waves in the heart. Atrial fibrillation is the most common heart rhythm disorder, affecting more than 30 million people worldwide, with five million new cases reported annually.⁴ Globally, high blood pressure and obesity are the top risk factors for atrial fibrillation, which has a significant impact on healthcare costs.⁴

Treatment options include medications, which do not address the underlying problem, and minimally-invasive, catheter-based ablation procedures, which are designed to disrupt the transmission of abnormal impulses in the heart but have limited effectiveness with the current technology. Today, less than 3 percent of the approximately 12 million patients diagnosed with atrial fibrillation in the U.S., Europe, and Japan are treated with catheter ablation, with the majority of ablations performed on less sick patients. This results in a large, unmet clinical need, especially for sicker atrial fibrillation patients.

Topera Rotor Identification System

The Topera rotor identification system transforms current catheter ablation approaches, which primarily rely on

a one-size-fits-all anatomical approach, by providing a tailored treatment for each patient's specific and unique physiology. Initially, the Topera System may supplement current procedures, but with more clinical evidence Topera's patient-focused approach could become the primary procedure for patients with atrial fibrillation. The Topera System, which consists of the RhythmView™ workstation and the FIRMap™ diagnostic catheter, produces information that is designed to allow physicians to identify and locate rotors, the specific areas within the heart acting as a sustaining mechanism for atrial fibrillation. The technology allows physicians with special training in the electrical system of the heart, called electrophysiologists, to see individual patient-specific rotors, which leads to more accurate diagnosis and effective treatment. Topera's RhythmView workstation and FIRMap diagnostic catheter received U.S. Food and Drug Administration clearance and CE Mark in Europe in 2013.

ACT Ablation Catheter

ACT's TempaSure™ catheter uses enhanced sensing technology to help physicians ensure they have achieved safe and effective ablation. The catheter has the ability to sense tissue temperature at depth, which is significant because it allows physicians to deliver the correct dosage of energy to achieve effective ablation while ensuring the safety of the procedure.

The Transactions

Completion of the Topera acquisition is subject to customary closing conditions, including antitrust clearance. It is expected to close in the fourth quarter of this year. Neither the Topera acquisition nor the right to purchase ACT is expected to impact Abbott's ongoing full-year 2014 earnings-per-share guidance. Topera is headquartered in Menlo Park, Calif., and ACT is headquartered in Santa Clara, Calif.

About Abbott

Abbott is a global healthcare company devoted to improving life through the development of products and technologies that span the breadth of healthcare. With a portfolio of leading, science-based offerings in diagnostics, medical devices, nutritionals and branded generic pharmaceuticals, Abbott serves people in more than 150 countries and employs approximately 69,000 people.

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Private Securities Litigation Reform Act of 1995 - A Caution Concerning Forward-Looking Statements

Some statements in this news release may be forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Abbott cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Economic, competitive, governmental, technological and other factors that may affect Abbott's operations are discussed in Item 1A, "Risk Factors," to our Annual Report on Securities and Exchange Commission Form 10-K for the year ended Dec. 31, 2013, and are incorporated by reference. Abbott undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

¹ Miller J, Kowal R, Swarup V, et al. Initial Independent Outcomes from Focal Impulse and Rotor Modulation Ablation for Atrial Fibrillation. *Cardiovasc Electrophysiol*. 2014 Sep; 25(9):921-9. doi: 10.1111/jce.12474. Epub 2014 Jul 23.

² Calkins H, Reynolds M, Spector P, et al. Treatment of Atrial Fibrillation with Antiarrhythmic drugs or radiofrequency ablation: Two systematic literature reviews and meta-analyses. *Circulation*. 2009, 2:349-361.

³ Narayan SM, et al. Treatment of atrial fibrillation by the ablation of localized sources: The Conventional Ablation for AF With or Without Focal Impulse and Rotor Modulation (CONFIRM) Trial. *JACC* 2012 60(7):628-636.

⁴ Chugh S, Havmoeller R, Narayanan K, et al. Worldwide Epidemiology of Atrial Fibrillation: A Global Burden of Disease 2010 Study. *Circulation* 2014;129:837-847.

SOURCE Abbott

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