St. Jude Medical signs equity investment and option to purchase agreement with CardioMEMS

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St. Jude Medical, Inc. (NYSE: STJ), a global medical device company, and privately-held CardioMEMS today announced that they have reached an agreement under which St. Jude Medical will make a $60 million equity investment in CardioMEMS, a medical device company that has developed a wireless sensing and communication technology to assess cardiac performance. The agreement provides St. Jude Medical an immediate 19 percent ownership in CardioMEMS and the exclusive option to acquire the company for an additional payment of $375 million during the period that extends through the completion of certain commercialization milestones.

CardioMEMS' wireless monitoring technology can be placed directly in the pulmonary artery to assess cardiac performance via measurement of pulmonary artery pressure (PAP). The implant procedure is fast, simple and can be performed by any physician who does right-heart catheterizations. The sensor transmits real-time hemodynamic data via an external monitor to the patient's clinic for review. PAP is a commonly used measurement to assess heart failure (HF) patients in hospitals. With CardioMEMS' technology, doctors can obtain this critical information without the need for a cardiac catheterization. Patients can transmit these readings from their homes, and with this vital information, physicians can more effectively direct treatments to keep patients out of the hospital.

The CardioMEMS monitoring system is supported by strong clinical evidence, including the CHAMPION ("CardioMEMS Heart Sensor Allows Monitoring of Pressure to Improve Outcomes in NYHA Class III Patients") trial, the results of which were presented in May 2010 at the European Society of Cardiology Heart Failure Congress in Berlin. The randomized, controlled CHAMPION trial studied the effectiveness of this device in New York Heart Association (NYHA) Class III HF patients, regardless of their ejection fraction, who had been hospitalized for HF in the previous 12 months. It found a statistically significant 30 percent reduction in the rate of HF related hospitalization at six months and 38 percent per year reduction in HF related hospitalizations during an average follow-up duration of 15 months.

Jay S. Yadav, M.D., Founder, Chief Executive Officer and Director of CardioMEMS said, "*The CHAMPION trial provides great promise for patients suffering from chronic symptomatic heart failure. The results demonstrated the potential for hemodynamic monitoring to reduce the need for costly hospitalizations while improving quality of life. As we work toward the commercialization of this promising technology, we are excited to have the support of a company like St. Jude Medical, with its significant expertise and focus in the areas of cardiac rhythm management, heart failure disease management and other cardiac technologies.*"

"*Technologies that help improve the management of heart failure can not only provide meaningful benefits for patients, but can also do so in a cost effective manner that is particularly important given recent health care reform in the U.S. and the attention to health care costs worldwide,*" said **Eric S. Fain**, M.D., president of the St. Jude Medical Cardiac Rhythm Management Division. "*Investing in CardioMEMS reaffirms our commitment to technology platforms that improve heart failure management and the potential benefits of hemodynamic monitoring for both patients and the health care economic system.*"

This agreement does not change St. Jude Medical's outlook for 2010 consolidated earnings per share. In connection with the agreement, BofA Merrill Lynch is acting as financial advisor and Gibson, Dunn & Crutcher LLP as legal counsel to St. Jude Medical. J.P. Morgan Securities LLC is acting as financial advisor to CardioMEMS and Cooley LLP as legal counsel.

About Heart Failure
Over five million Americans have HF with 670,000 new cases diagnosed each year. NYHA Class III represents roughly 1.4 million of the HF patients in the U.S., and historically accounts for nearly half of all heart failure hospitalizations. Heart failure occurs when the heart is unable to pump enough blood to meet the body's demands, unless it elevates pressures within the heart. Significant HF progression over a period of days is known as acute decompensation, which forces excess fluid into the lungs causing congestive symptoms, most commonly breathlessness. Approximately 90% of patients admitted to a hospital for HF have pulmonary congestion. Episodes of pulmonary congestion have a high associated mortality and result in a downward spiral of progressive cardiac deterioration. The estimated direct and indirect cost of HF in the United States for 2009 was $37.2 billion.

About CardioMEMS, Inc.
CardioMEMS is a medical device company that has developed and is commercializing proprietary wireless sensing and communication technology for the human body. Its technology platform is designed to improve the management of severe chronic cardiovascular diseases such as aneurysms, heart failure and hypertension. CardioMEMS miniature wireless sensors can be implanted using minimally-invasive techniques and transmit cardiac output, blood pressure and heart rate data which are critical to the management of patients. The sensors can be permanently implanted into the heart and blood vessels due to their small size, durability and lack of wires and batteries. Using radiofrequency (RF) energy, the sensors transmit real-time data to external electronic readers, which then communicate this information to the patient's physician. More information about CardioMEMS is located at www.cardiomems.com [1].

About St. Jude Medical
St. Jude Medical develops medical technology and services that focus on putting more control into the hands of those who treat cardiac, neurological and chronic pain patients worldwide. The company is dedicated to advancing the practice of medicine by reducing risk wherever possible and contributing to successful outcomes for every patient. St. Jude Medical is headquartered in St. Paul, Minn. and has four major focus areas that include: cardiac rhythm management, atrial

fibrillation, cardiovascular and neuromodulation. For more information, please visit sjm.com.

Forward-Looking Statements
This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such forward-looking statements include the expectations, plans and prospects for the Company, including potential clinical successes, anticipated regulatory approvals and future product launches, and projected revenues, margins, earnings and market shares. The statements made by the Company are based upon management's current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include market conditions and other factors beyond the Company's control and the risk factors and other cautionary statements described in the Company's filings with the SEC, including those described in the Risk Factors and Cautionary Statements sections of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 2010. The Company does not intend to update these statements and undertakes no duty to any person to provide any such update under any circumstance.

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