transforming lives.
Throughout this document, unless otherwise noted, all revenue and other growth rates represent fiscal year 2017 compared to fiscal year 2016.
Our Core Values

Our work is guided by core values that define the Boston Scientific culture and empower our employees.

CARING:
We act with integrity and compassion to support patients, customers, our communities and each other.

DIVERSITY:
We embrace diversity and value the unique talents, ideas and experiences of our employees.

GLOBAL COLLABORATION:
We work collaboratively to pursue global opportunities that extend the reach of our medical solutions.

HIGH PERFORMANCE:
We strive for high performance to benefit our patients, clinicians and shareholders.

MEANINGFUL INNOVATION:
We foster an environment of creativity to transform new ideas into breakthrough services and solutions that create value for patients, customers and employees.

WINNING SPIRIT:
We adapt to change and act with speed, agility and accountability to further improve patient care.

Boston Scientific is dedicated to transforming lives through innovative medical solutions that improve the health of patients around the world.

Boston Scientific employees in Cambodia volunteered with children during the annual Association of Southeast Asian Nations kickoff event.
Just before entering her sophomore year of college, Emily Herman was diagnosed with hypertrophic cardiomyopathy, a life-threatening condition that puts her at increased risk of sudden cardiac arrest. Shortly thereafter, she received an implantable cardioverter defibrillator, or ICD, which continuously monitors her heart. That device lasted only five years before needing to be replaced due to battery depletion. By the time she was 27, she was in need of yet another life-saving ICD heart device. Emily began to worry about how many more surgeries she would need to manage her health, and how much money she would have to save. Her doctor recommended a device powered by EnduraLife™ Battery Technology that is expected to last nearly three times as long as her previous devices,¹,² which would mean fewer replacement surgeries. As a mother of two, the increased battery longevity has given her and her young family more peace of mind and financial flexibility.

“My scar is a reminder to live every day to the fullest. Without this technology, my life could have ended up so differently. Because of this device, I am living my dream.” — Emily Herman

¹ Medtronic Evera XT VR DVBB2D4 Device Manual page 25.
Dear Shareholders:

Advancing science for life is about transforming lives through innovative medical solutions that improve patient lives, create value for our customers, and support our employees and the communities in which we operate. In 2017, the world faced significant political turmoil, social unrest and natural disasters. While these challenges have shaken the global community, they have strengthened the commitment of Boston Scientific—and our 29,000 employees—to the values that define and guide our company. Now more than ever, we have a responsibility to apply those values to everything we do—as a global business and as a global corporate citizen.

Working together, we have delivered on our commitment to shareholders to achieve consistent, sustainable growth. We have served patients and customers with meaningful product innovations, and we have supported employees and communities in need. We have done this by sustaining ethical and inclusive business practices.

I’m proud of the many successes we achieved in 2017; first and foremost, working together to help improve the lives of 25 million patients. Here are some other noteworthy accomplishments:

- Introducing approximately 100 product innovations that are helping to improve outcomes and reduce healthcare spending
- Investing almost one billion dollars in research and development
- Increasing our use of renewable and cleaner energy sources to achieve a 40% reduction in greenhouse gas emissions and a 25% decrease in water consumption\(^3\)
- Supporting local communities around the world with more than 42,000 employee volunteer hours at hundreds of events for science, technology, engineering and math (STEM) initiatives, environmental restoration, and programs to improve neighborhoods, schools and communities
- Raising more than $4 million for our Employee Disaster Relief Fund as well as other disaster relief efforts to support Boston Scientific employees affected by natural disasters, particularly our team in Puerto Rico
- Piloting new approaches to increase the diversity of patients enrolled in clinical trials

We accomplished all of this while also improving productivity, reducing costs, and redirecting savings to high-growth technologies, strategic investments and our future portfolio.

**2017 BUSINESS RESULTS**

We achieved full-year sales of $9.048 billion, representing 7 percent organic sales growth\(^4\). The ongoing diversification of our portfolio helped fuel these results, with organic sales growth of 10 percent in MedSurg, 5 percent in Cardiovascular and 4 percent in Rhythm Management\(^4\).

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3 Compared to the 2009 baseline.  
4 Organic growth rates are non-GAAP measures that exclude the impact of changes in foreign currency exchange rates and the sales from the acquisitions of the American Medical Systems male urology portfolio, EndoChoice Holdings Inc., and Symetis SA over the prior year period; see non-GAAP reconciliations on pages 34 and 35.
Full-year adjusted earnings per share grew 13 percent to $1.26, despite absorbing a $0.08 unfavorable impact from foreign exchange.\(^4\)

Our common stock returned 15 percent. Our five- and three-year total shareholder returns have consistently outpaced the S&P 500 index, growing 333 percent and 87 percent, respectively, as a result of focused execution of our strategy and disciplined diversification of our portfolio into faster growth markets.

We expanded our business in global markets, with total annual sales from emerging markets\(^5\) increasing 15 percent compared to prior year and our business in China growing 20 percent. Approximately 10 percent of our total annual sales come from emerging markets.\(^6\) We expect to continue to expand into new markets and regions and to make our technologies available to more people in need.

During the past three years, we have achieved average organic revenue growth of 7 percent, combined with a 480 basis point improvement in adjusted operating margin.\(^4,5\) Over the same three-year period, we delivered an average 14.5 percent growth in adjusted earnings per share.\(^5\)

We aim to continue achieving strong sales and adjusted earnings per share growth over the next three years.

**PURSUIT OF EXCELLENCE**

Working in healthcare carries significant responsibilities. Across our business, our teams have challenged the status quo and strived to do more to create value for our customers and the patients whom we serve together.

**Improving Heart Failure Management**

The Boston Scientific Rhythm Management business launched the Resonate\(^\text{TM}\) family of implantable cardioverter-defibrillator and cardiac resynchronization therapy defibrillator systems. Both systems, referred to as ICDs and CRT-Ds, respectively, feature the HeartLogic\(^\text{TM}\) Heart Failure Diagnostic, an alert with physiologic sensors that detect early signs of worsening heart failure. These devices are approved in the U.S. and Europe for conditional use in a magnetic resonance imaging environment and include our SmartCRT\(^\text{TM}\) Technology and industry-leading EnduraLife\(^\text{TM}\) Battery—technologies that allow physicians to tailor device settings according to individual patient needs, without fear of draining battery life and causing unnecessary replacement procedures. A growing body of data validates use of our devices with EnduraLife batteries. In its medical technology guidance, the National Institute for Health and Care Excellence in the United Kingdom recommended the use of Boston Scientific CRT-Ds, powered by EnduraLife Battery Technology, for treating patients with heart failure.

**Meaningful Innovation in Neuromodulation**

Our Neuromodulation business achieved regulatory milestones with approval for the Vercise\(^\text{TM}\) Deep Brain Stimulation System (DBS) in the U.S., and CE mark for the Vercise\(^\text{TM}\) Gevia\(^\text{TM}\) DBS System\(^7\) for the treatment of movement disorder symptoms in patients with Parkinson’s disease. The Vercise technology platform, first launched in Europe in 2012, stimulates a targeted region of the brain through implanted leads. The Vercise Gevia DBS System is the industry’s first magnetic resonance-conditional\(^8\) directional DBS system that allows clinicians to visualize the stimulation field, which gives them more information to configure DBS stimulation programs for patients. This technology platform is an important new treatment option to help improve quality of life for patients living with this debilitating condition.

**SOLUTIONS THAT MATTER MOST**

We focus on delivering solutions that make the greatest difference for patients and healthcare systems. We use a disciplined portfolio management strategy to guide our investments in clinical trials, research and development, strategic collaborations and innovative early-stage companies.

**Reducing the Risk of Stroke and Severe Bleeding**

Physicians in more than 375 healthcare centers in the U.S. have been trained on our WATCHMAN\(^\text{TM}\) Left Atrial Appendage Closure (LAAC) Device and can offer the technology to patients suffering from non-valvular atrial fibrillation who want an alternative to long-term oral anticoagulant therapy. In 2017, the technology continued to receive validation in clinical trials and clinical practice as a safe and effective therapeutic alternative for stroke risk reduction in indicated high-risk patients. New data from the PREVAIL and PROTECT-AF randomized clinical...
trials and the EWOLUTION European Registry further confirmed the clinical efficacy of the WATCHMAN Device. We initiated the SALUTE trial to pursue regulatory approval in Japan, and we began enrollment in the ASAP TOO trial to evaluate the use of the WATCHMAN Device in patients unsuitable for oral anticoagulation, which could lead to expanded labeling in the U.S.

**Strategic Acquisitions**

In 2017, we acquired two companies and made more than a dozen strategic investments in support of our category leadership strategy and to enhance our presence in faster growing markets. In Electrophysiology, we acquired Apama Medical, an investment that is expected to broaden our differentiated arrhythmia solutions to include a single-shot, multi-electrode technology that is designed to deliver differentiated energy levels and shortened procedure times. In the structural heart space, our most recent investment, Millipede, Inc., announced in January 2018, includes an acquisition option agreement and expands our portfolio in mitral regurgitation. Our acquisition of Symetis, SA reflects our commitment to being a leader in transcatheter aortic valve replacement (TAVR) and structural heart technologies. The ACURATE™ Aortic Valve platform complements our LOTUS™ Valve platform and supports our goal to provide interventional cardiologists and cardiac surgeons with multiple TAVR offerings for different patient pathologies and anatomies. Upon completion of the Symetis acquisition, we began selling the ACURATE TA™ and ACURATE neo™/TF™ Valve Systems in Europe and other regions outside of the United States. We have accelerated our 2018 plans for the ACURATE Valve products while we continue to work on the LOTUS Valve platform.

**Expansion Into New Markets**

In addition to focusing on higher growth areas within our served markets, we are entering new adjacent markets that we estimate will present more than $15 billion in market opportunities by 2021. We have the platforms, technologies and services in place to address significant unmet clinical needs in large patient populations. Our Endoscopy business is investing in technologies for endoluminal surgery, which is emerging as an alternative to surgical resection of gastrointestinal cancers or pre-cancerous lesions. Following the November 2016 acquisition of EndoChoice Holdings, Inc., we are accelerating the development and launch of products and solutions in pathology and infection prevention. Our Urology and Pelvic Health business is investing in technologies to enhance visualization and address cancer and overactive bladder. Our Cardiovascular businesses have multiple opportunities, including new drug-eluting and interventional oncology technologies. We believe these market opportunities will position us to deliver consistent, above-market revenue growth.

**DEEPEST COLLABORATION**

Our ability to provide meaningful innovation is a result of collaboration by a diversity of people, experiences and perspectives. Now more than ever, we need to collaborate across boundaries to understand a complex and evolving healthcare landscape in which many customers are transitioning to value-based care. Patients are the shared focus that guides our work to develop innovation that improves outcomes and creates long-term value.

**Supporting Value-Based Care**

In addition to providing technologies that improve patient outcomes, we also need to ensure we are doing even more to benefit the healthcare system as a whole by innovating in areas such as diagnostics, digital health and services that can help improve how hospital systems operate.

Our ADVANTICS Innovative Healthcare Solutions portfolio helps customers achieve and sustain cost, quality and growth targets. Examples include standardizing care for patients with chronic cardiovascular diseases and performance optimization solutions focused on patient flow. Our Endoscopy business is also offering solutions such as lab optimization, endoscope maintenance and specialized pathology services to help hospitals and ambulatory surgery centers improve care while increasing efficiency.

“We have the privilege and responsibility to use our expertise and resources to help advance science, improve patient health and enrich communities. We are on a steady course to continue to do this while delivering strong, consistent and sustainable results.”

— Mike Mahoney
We are globalizing research and development and localizing physician training at our four R&D centers and nine Institutes for Advancing Science in the Americas, Africa, Asia and Europe. We recently opened a new manufacturing facility in Penang, Malaysia to expand our presence in the Asia-Pacific region, and to support local R&D and new business development activities.

**Health Equity**

Boston Scientific is leading efforts to promote health equity for patients through our Close the Gap initiative. Close the Gap teams share data with hospitals across the U.S. to increase awareness of cardiovascular disease prevalence and treatment disparities among women and minorities in their communities. These data help hospitals identify objectives, action plans and metrics to track progress on closing healthcare gaps among high-risk patients. As part of Close the Gap, we are conducting additional analysis of our PLATINUM Diversity study to further evaluate the clinical outcomes of the Promus PREMIER™ Everolimus-Eluting Platinum Coronary Stent in women and minorities. The Boston Scientific WIN-Her™ Initiative is piloting new approaches to patient education, provider-patient communication and investigative site training in two randomized cardiovascular medical device trials designed to increase female participation rates in clinical trials. The ultimate goal of these programs is to guide clinical investigators in designing trials that reflect our culturally rich and diverse population.

**Our People**

Everything we have achieved has been made possible by the talent, diversity and winning spirit of our employees. Because of their hard work, Boston Scientific has received top industry and publication rankings, including FORTUNE World’s Most Admired Companies, Forbes’ Best Large Employer, Newsweek Green Rankings and the Human Rights Campaign’s Corporate Equality Index, among others.

We have a responsibility to create a working environment that promotes healthy and engaged employees. We have implemented programs to understand the diverse needs of our employees around the world so we can develop targeted and tailored benefits programs for them. In the U.S., “Benefits to Fit Your Life” helps employees and their families at different stages of life with programs such as expanded infertility treatment support, maternal and parental leave, breast milk shipping service, as well as increased support to help working parents find and pay for child care. To ease the stress of daily demands on our employees, we launched a telehealth service and a new meal planning service. We’ve also enhanced programs for college planning assistance. And for those caring for aging parents, we offer services to help design care strategies. We are applying the same process to evaluate, evolve and localize our employee benefits at all of our locations around the world. These programs are critical to attract and retain top talent and to ensure we are meeting the needs of our greatest asset—our people.

**LOOKING AHEAD**

All of these accomplishments demonstrate the many ways Boston Scientific is bringing shared value to customers, employees, communities and shareholders. We have the privilege and responsibility to use our expertise and resources to help advance science, improve patient health and enrich communities. We are on a steady course to continue to do this while delivering strong, consistent and sustainable results.

Every day, I am inspired by the opportunity we have to transform lives. I commend our employees for their unwavering winning spirit. On behalf of every Boston Scientific team member, I extend our sincere thanks to our Board of Directors for their commitment and service to Boston Scientific, and to you, our shareholders, for your continued support.

I remain confident in our team, strategy and the continued success of Boston Scientific, and I am grateful for the opportunity to lead this extraordinary company.

Sincerely,

Mike Mahoney
Chairman, President and Chief Executive Officer
March 20, 2018
### 2017 SALES BY PRODUCT CATEGORY

**Reported Sales**

- **Cardiovascular**
  - Interventional Cardiology $2,419
  - Peripheral Interventions $1,081
- **Rhythm Management**
  - Cardiac Rhythm Management $1,895
  - Electrophysiology $278
- **MedSurg**
  - Endoscopy $1,619
  - Urology and Pelvic Health $1,124
  - Neurmodulation $635

**Operational Sales Growth**

- **Cardiovascular** 6.1%
- **Rhythm Management** 2.3%
- **MedSurg** 12.3%

**Total** $9,048 8%

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### 2017 SALES BY REGION

**Reported Sales**

- **U.S.** $5,162
- **Europe** $1,800
- **Asia-Pacific, Middle East and Africa (AMEA)** $1,727
- **Other** $358

**Operational Sales Growth**

- **U.S.** 8.5%
- **Europe** 6.8%
- **Asia-Pacific, Middle East and Africa (AMEA)** 7.5%
- **Other** 5.3%

**Total** $9,048 8%

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### OPERATIONAL REVENUE GROWTH

- **2017:** 8% (8%)
- **2016:** 12% (10%)
- **2015:** 8% (5%)

### ADJUSTED OPERATING MARGIN

- **2017:** 25.0% (25.0%)
- **2016:** 24.1% (23.1%)
- **2015:** 22.3% (21.3%)

### ADJUSTED EARNINGS PER SHARE GROWTH

- **2017:** 20% (18%)
- **2016:** 26% (24%)
- **2015:** 23% (22%)

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4 Organic growth rates are non-GAAP measures that exclude the impact of changes in foreign currency exchange rates and the sales from the acquisitions of the American Medical Systems male urology portfolio, EndoChoice Holdings Inc., and Synetis SA over the prior year period; see non-GAAP reconciliations on pages 34 and 35.

5 Adjusted operating margin, adjusted earnings per share and their related growth rates are non-GAAP measures that exclude the impacts of amortization expense, intangible asset impairment charges, acquisition- and divestiture-related net charges and credits, restructuring and restructuring-related net charges and credits, litigation-related net charges, pension termination charges, debt extinguishment charges, certain investment impairments and/or certain tax items; see non-GAAP reconciliations on pages 34 and 35.

6 Operational revenue growth

7 Organic revenue growth

8 $100 invested on 12/31/12 in stock or index, including reinvestment of dividends.

9 Excludes foreign exchange impact (-$0.10 in 2015, -$0.06 in 2016, and -$0.08 in 2017).

10 Includes foreign exchange impact.
Boston Scientific transforms lives through innovative medical solutions that improve the health of patients around the world. As a global medical technology leader for more than 35 years, we advance science for life by providing a broad range of high-performance solutions that address unmet patient needs and reduce the cost of healthcare.
<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Named to Fortune's List</td>
<td>29,000</td>
</tr>
<tr>
<td>Employee Volunteer Hours</td>
<td>42,000</td>
</tr>
<tr>
<td>Gigawatt Hours of Solar Energy Generated</td>
<td>2.99</td>
</tr>
<tr>
<td>Sales</td>
<td>$9.05 billion</td>
</tr>
<tr>
<td>STEM Outreach Events</td>
<td>200+</td>
</tr>
<tr>
<td>STEM Innovations Around the World</td>
<td>100</td>
</tr>
<tr>
<td>Recycled Tons of Solid Waste</td>
<td>9,500+</td>
</tr>
<tr>
<td>Improved Patient Lives</td>
<td>25 million</td>
</tr>
<tr>
<td>Product Innovations</td>
<td>100</td>
</tr>
<tr>
<td>Commitment to Carbon Neutrality</td>
<td>$4 million</td>
</tr>
</tbody>
</table>
The Resonate™ family of implantable cardioverter defibrillator (ICD) and cardiac resynchronization therapy defibrillator (CRT-D) systems is approved for conditional use in a magnetic resonance imaging (MRI) environment and features the HeartLogic™ Heart Failure Diagnostic to help physicians improve the management of heart failure patients.

Boston Scientific EnduraLife Battery Technology powers cardiac devices for patients with heart failure. It consistently demonstrates industry-leading longevity performance and has been recognized by healthcare systems around the world, including the National Institute for Health and Care Excellence (NICE) in the UK.

The WATCHMAN™ Left Atrial Appendage Closure (LAAC) Device is the first and only FDA-approved one-time heart implant proven to reduce stroke risk in patients with non-valvular atrial fibrillation who need an alternative to long-term blood thinners.

The ACURATE neo™ Aortic Valve System is a transcatheter aortic valve replacement (TAVR) technology that is designed to treat patients suffering from severe and symptomatic aortic valve stenosis who are considered at high risk for surgical valve replacement.

11 The ACURATE neo™ Aortic Valve System is CE Marked. It is not available for sale or use in the U.S.
The Vercise™ Gevia™ Deep Brain Stimulation (DBS) System is a rechargeable, magnetic resonance conditional system that allows clinicians to visualize the stimulation field while planning directional stimulation settings and configuring DBS programs for patients with Parkinson’s disease, dystonia and essential tremor.

The SpyGlass™ DS Direct Visualization System is the first minimally invasive, single-use, single-operator digital scope used for cholangioscopy and pancreatoscopy procedures designed to target biopsies and stone fragments in the bile, hepatic and pancreatic ducts.

The LithoVue™ Single-Use Digital Flexible Ureteroscope delivers detailed high-resolution digital images for high-quality visualization and navigation to help urologists remove stones quickly, easily, safely and affordably.
Materiality

In 2017, we completed a materiality assessment to identify the corporate social responsibility issues of greatest importance to Boston Scientific and our stakeholders, including employees, customers, investors and communities where we live and work. These highest priority issues were determined by our stakeholders based upon their significance and potential for social, economic and environmental impact, and will continue to guide us in 2018 and beyond.

- Climate Change
- Environmental Impact
- Stakeholder Engagement
- Community Involvement
- Innovative Products
- Governance and Ethics
- Legal Compliance
- Diversity and Inclusion
- Culture and Talent
- Sustainable Supply Chain
“Our commitment to making a positive environmental and social impact is an important part of how we live by our values and deliver on our mission to transform lives.” — Mike Mahoney
GEMS key performance indicators (KPIs) that drive continuous improvement:

<table>
<thead>
<tr>
<th>KPI</th>
<th>DEFINITION</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Use</td>
<td>Tracks the total energy Boston Scientific consumes annually to manufacture our products.</td>
<td>352M KILOWATT HOURS</td>
<td>367M kilowatt hours</td>
<td>370M kilowatt hours</td>
</tr>
<tr>
<td>EM3</td>
<td>An energy management maturity model to establish where in the “energy journey” each manufacturing site resides on a scale from one (minimal) to five (leading).</td>
<td>3.6 AVERAGE FOR ALL SITES</td>
<td>3.2</td>
<td>2.7</td>
</tr>
<tr>
<td>Green Real Estate</td>
<td>Percentage of Boston Scientific real estate that is independently certified for energy efficiency by industry-leading bodies such as LEED for design and Energy Star or ISO 50001 for building operations.</td>
<td>32%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Carbon Footprint</td>
<td>Total amount of scope one and scope two greenhouse gas emissions that are emitted into the atmosphere from manufacturing and distribution sites. Measured in tons of carbon equivalent (tCO2-eq).</td>
<td>95,000 TONS</td>
<td>108,000 tons</td>
<td>118,000 tons</td>
</tr>
<tr>
<td>Green Energy</td>
<td>Percentage of energy that is generated from renewable energy sources and technologies on-site or purchased from our suppliers.</td>
<td>19%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Cleaner Energy</td>
<td>Energy produced from fossil fuels, based on high-efficiency technologies such as combined heat and power (CHP) in comparison to conventional power generation (gas, oil or coal-fired power stations).</td>
<td>10%</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>
LEADING IN ENERGY CERTIFICATION

Leadership in Energy and Environmental Design (LEED) is an internationally recognized certification program for the environmental performance and sustainable design of buildings. Boston Scientific has 11 LEED-certified facilities around the globe, representing 2.8 million square feet of real estate.

Developing green facilities through environmentally responsible construction is a critical part of our global sustainability plan. We are committed to lowering our environmental impact, reducing operating costs and creating high-quality spaces for employees as we continue to deliver on our strategic growth plans.

Boston Scientific sites in Coyol and Heredia, Costa Rica are our first facilities to receive ISO 50001 certification, an energy management standard that provides a framework for industrial facilities to manage all aspects of energy, including procurement and use. The Costa Rica Ministry of Environment also recognized these two sites as the first medical device manufacturing sites in Costa Rica to be carbon neutral.

CLIMATE CHANGE

Boston Scientific is mindful of the ways climate change can affect our business as well as the impact we have on the climate. We have processes in place to review and mitigate the potential impact of climate change on our facilities and on the raw materials we use to manufacture our products. We also work to conserve energy and reduce greenhouse gas emissions, such as those from electricity and natural gas consumption, across our manufacturing and distribution facilities.

Our new customer fulfillment center opened for business in 2017. The 1.1 million square foot facility in Quincy, Massachusetts contains 3,900 rooftop solar panels as well as energy efficiency equipment. It has already earned the U.S. Environmental Protection Agency’s Energy Star Certification and the U.S. Green Building Council’s LEED Silver rating.

ORIGINAL 2019 GOAL SET IN 2009: 35% REDUCTION IN GREENHOUSE GAS (GHG) EMISSIONS*

2017 RESULTS: REDUCED EMISSIONS 41%** (66,000 TONS)

* Using market-based emissions calculations.  ** Compared to the 2009 baseline of 161,000 tons greenhouse gas emissions, 65% recycle index, 6,585 tons recycled and water use of 911,000 cubic meters.
ENVIRONMENTAL IMPACT
Manufacturing and delivering innovative medical devices can have extensive environmental impact beyond climate change due to the materials used in production and the water and other resources needed to make, transport and use devices. We carefully consider the impact of our manufacturing and related materials in an effort to reduce the environmental footprint of our products and their packaging. Whenever possible, when a product reaches the end of its usable life, we reclaim materials for reuse.

Our major manufacturing and distribution sites follow ISO 14001, a globally recognized standard for environmental management systems (EMS) designed to manage and improve environmental performance across industries. This system ensures that throughout our operations, we respond to changing environmental conditions, fulfill compliance obligations, enhance environmental performance and deliver sustainable development.

We also prevent and plan for environmental challenges, including constraints on natural resources and water scarcity.

In 2014, we implemented a five-year goal to achieve a recycling index of 81 percent for solid waste generated globally, a goal we met two years ahead of target. Ongoing plant network optimization and real estate assessments are key parts of meeting our long-term goals to reduce solid waste production.

We are committed to carbon neutrality in our manufacturing and key distribution sites for all of our products by 2030.

CARBON NEUTRAL BY 2030
Boston Scientific recognizes the need to ensure that the manufacturing of our products does not have a negative impact on our environment. From the solar panels at our plants to the many green initiatives that support the communities where we live and work, our commitment to environmental sustainability is broad and deep. In 2017, we committed to carbon neutrality in our manufacturing and key distribution sites for all of our products by 2030. Carbon neutrality refers to achieving net zero carbon emissions associated with our manufacturing operations and purchased energy by balancing the amount of carbon released with an equal amount removed or compensated.
RECOGNITIONS FOR SUSTAINABILITY LEADERSHIP
- Named #16 on Newsweek’s U.S. Green Rankings
- Received the Best Corporate Social Responsibility and Best Business from the Galway Chamber Business Awards
- Awarded the top prize for excellence by the Chamber of Industries of Costa Rica (CICR)
- Awarded a Second Star of Country Environmental Blue Flag Award by Costa Rican governmental institutions for actions to face climate change
- Received a Second Star for our facility in Kerkrade, the Netherlands, from Lean & Green, Europe’s leading program for sustainable logistics

WASTE REDUCTION

Reuse and Recycle to Reduce Waste
In the last three years, the Boston Scientific facility in Cork, Ireland has achieved a recycling index of 83% for non-hazardous waste. In 2017, the site succeeded in segregating tens of thousands of kilograms of plastic, which was then ground down and used instead of new material.

Our facility in Coyol, Costa Rica implemented a program to reuse the shoe coverings worn in manufacturing plants, resulting in 3.6 fewer tons of waste annually.

Green Purchasing
To comply with new environmental procurement requirements, our team in Coyol, Costa Rica identified a sustainable, eco-friendly alternative to the use of conventional paper, and converted 100% of paper usage to paper made from sugarcane bagasse waste. Sugarcane is a fast-growing, renewable alternative to wood.

Packaging Reduction
Boston Scientific teams in Marlborough and Quincy, Massachusetts and Coyol, Costa Rica collaborated to redesign ureteral stent packaging to reduce material cost. The redesigned packaging was reduced in size by 40%, which enabled easier shipping, storage and product identification, and eliminated the need for 120,000 pounds of plastic that otherwise would have gone to waste. The team won the 2017 AmeriStar Package Award from the Institute of Packaging Professionals (IoPP).
At Boston Scientific, our work is personal. We work together to solve the challenges that matter most, with an unwavering focus on patients. We are collaborators, explorers and problem-solvers united by a goal to make a meaningful difference in the lives of patients by helping our customers deliver the best possible care. Together, we are truly advancing science for life.

QUALITY AND SAFETY
Our commitment to quality begins with our Quality Policy, a one-line statement that is highly visible in all our facilities: “I improve the quality of patient care and all things Boston Scientific.”

Our approach to quality includes the following elements:
- A Quality Master Plan that helps us strategically plan and prioritize quality improvement projects that emphasize prevention and will lead to higher quality products, with better patient outcomes and fewer customer complaints
- A strategy that we call Best4, which aims to deliver industry-leading performance in (1) compliance, (2) outcomes, (3) efficiency and (4) agility
- A Global Quality System that integrates customer feedback and regulatory requirements into our processes

Each year we undertake several quality targeted initiatives to ensure ongoing compliance to changing global industry regulations, while also focusing on continuously improving our products. In 2017, we accomplished the following:
- Developed a new Quality Mission — “We exceed expectations with customer-centric quality solutions that transform patient lives” — to complement our Quality Policy
- Created quality objectives and programs to improve the performance of our products, including a continued focus on reducing occurrences of Field Safety Correction Actions and enhancing our product performance analysis
- Implemented a global usability engineering process to gain real-world insights into how our products are used and the environments in which they are being used — information we incorporate into continuously improving product design

Partnering to Set Industry Standards for Quality and Compliance
Around the world, we collaborate with trade associations and regulatory bodies to set new standards in quality and to anticipate and address changing regulatory guidelines. We are committed to having patient-focused, high-performing quality systems and helping influence industry and regulatory approaches to quality.

“Our success is fueled by the winning spirit and diversity of our global teams and their incredible commitment to transforming lives.”
— Wendy Carruthers, Senior Vice President, Human Resources
In the United States, we participate in Case for Quality, a multi-year initiative led by the U.S. Food and Drug Administration (FDA) to improve product quality through the use of best practices, standards, tools and metrics. In 2017, we were one of the first companies invited to participate in the agency’s Voluntary Medical Device Manufacturing and Product Quality Program. This pilot program uses an independent assessment to evaluate the capability of medical device organizations to produce high-quality devices and improve patient safety. The Boston Scientific facility in Arden Hills, Minnesota was the first site to participate in the program. Throughout 2018, additional manufacturing sites will enroll in the program.

In May 2017, new European Union Medical Device Regulation (MDR) was published with the goal of strengthening the regulatory platform across the EU to further enhance patient safety. By May 2020, companies must demonstrate compliance with the MDR for all products that require CE mark, including existing commercialized products that must apply for CE mark renewal. Boston Scientific global quality and regulatory teams are collaborating with MedTech Europe working groups and other industry groups to ensure we are prepared for the implementation of MDR requirements.

**FOCUS ON QUALITY: RECOGNIZING OUR TEAMS**

Annual employee events are held at Boston Scientific sites to celebrate the impact our work has on improving the quality of patient care. The theme of these events is “Everyone Makes an Impact,” reinforcing the importance of each individual’s role. Patients and physicians attend as guest speakers to share personal experiences, and employees participate in activities to reaffirm their commitment to the Boston Scientific Quality Policy.

**Recognize Success** is an annual Boston Scientific program that recognizes cross-functional teams that make outstanding contributions to continuous quality improvement and operational effectiveness. In 2017, we celebrated the program’s tenth anniversary.
**WORKPLACE STRATEGY**

Boston Scientific is committed to creating workplace environments that provide all employees with functional, efficient space that promotes wellness, interaction and collaboration.

### Examples of workplace strategies implemented throughout Boston Scientific sites

<table>
<thead>
<tr>
<th>Location</th>
<th>Strategy Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quincy, Massachusetts</td>
<td>Increased exposure to daylight</td>
</tr>
<tr>
<td>Seoul, Korea</td>
<td>Enhanced connectivity through space planning</td>
</tr>
<tr>
<td>Moscow, Russia</td>
<td>Furniture and finishes for acoustic zoning</td>
</tr>
<tr>
<td>Clonmel, Ireland</td>
<td>Collaborative spaces and technology</td>
</tr>
<tr>
<td>Kuala Lumpur, Malaysia</td>
<td>Increased exposure to daylight</td>
</tr>
<tr>
<td>Milan, Italy</td>
<td>Sit to stand workstations to improve ergonomics</td>
</tr>
<tr>
<td>Quincy, Massachusetts</td>
<td>Adaptive education and training space</td>
</tr>
<tr>
<td>Penang, Malaysia</td>
<td>Collaborative spaces and technology</td>
</tr>
<tr>
<td>Sydney, Australia</td>
<td>Consistent brand messaging</td>
</tr>
</tbody>
</table>

Above: Consistent visitor experience and flexible furniture configurations in our global headquarters in Marlborough, Massachusetts
COMMUNITY ENGAGEMENT

Training Physicians to Provide Access to Better Healthcare
Our nine Institutes for Advancing Science span five continents and enable us to offer healthcare professionals hands-on, multidisciplinary training programs for our products and related procedures. We are also globalizing research and development to meet local needs with R&D centers in Shanghai, China; Gurugram, India; Heredia, Costa Rica and Galway, Ireland.

Reaching Underserved Populations to Promote Health Equity
The World Health Organization and the United Nations have made filling the shortage of global healthcare workers a priority. We are helping increase the number of certified community health workers through partnerships with U.S.-based nonprofit organizations that have teams in India, South Africa and Mexico, among other countries. As a result of grants to Project HOPE and Partners in Health, both groups have been able to increase basic care and provide preventative health screenings in some of the most remote and underserved regions in Asia and Mexico.

- In two years, with our assistance, the regional workforces of both Partners in Health and Project HOPE increased by more than 600
- New healthcare workers now provide care in 100 villages in India, two districts in South Africa, and the Chiapas region of Mexico
- In India, community health workers have screened more than 10,000 adults between the ages of 30 and 70 for diabetes and hypertension

Helping Kids Stay Active
As part of our involvement in the Minnesota Super Bowl Host Committee’s Legacy 52 program, Boston Scientific donated $90,000 to Rec on the Go, an innovative program that provides free recreation opportunities to kids and teenagers in underserved Minneapolis neighborhoods. Mobile recreation vehicles filled with sports equipment and healthy food make it possible for kids and families to participate in healthy activities near their homes. Our donation funded an additional vehicle for teen programs.
Investing in the Next Generation of STEM Leaders

At Boston Scientific, we are inspired by young learners who share our passion for innovation and problem-solving and we are committed to developing a diversity of future talent.

We support a number of STEM initiatives for students around the globe.

In 2017, our employees shared their love of science and engineering with thousands of students. Following are a few program highlights:

- Through charitable organizations in South Africa, employees volunteered hours and donated to STEM initiatives for at-risk youth
- In Buenos Aires, Argentina, Boston Scientific employees shared expertise with children as part of an 8-week Technokids workshop
- Employees in Costa Rica mentored a young robotics team that advanced to the World Robotics Olympiad
- More than 10,000 students in Ireland participated in the Boston Scientific Medical Device Award competition, presented in partnership with Ireland’s National Sci-Fest Awards. In addition to sponsoring the award, 20 Boston Scientific volunteers participated as judges at 11 regional competitions

Employees in Japan hosted the second annual science school event to inspire the next generation of medical professionals.
GREEN TEAM ENVIRONMENTAL SUSTAINABILITY INITIATIVES

Our employee-led green teams present new ideas and implement projects that reduce the company’s environmental footprint globally, improve the communities in which we do business and help us operate in a more environmentally responsible way. In 2017, we worked with a number of community partners to make a positive impact and raise environmental awareness.

Sweet Support for Local Bees

Bees pollinate about one-sixth of the world’s flowering plant species and more than 400 agricultural plants, including almonds, berries, coffee and watermelon. At Boston Scientific, we’re doing our part to help protect this vital member of our ecosystem.

Our facilities in Arden Hills, Minnesota and Cork, Ireland host active honeybee hives on-site. In partnership with the University of Minnesota, employees in Arden Hills—members of the so-called Bee Squad—are conducting honeybee research. They monitor the hives and collect information to find ways to increase colony survival rates. The Arden Hills campus converted 1.6 acres of land to natural grass plantings, which protects the bees, reduces the need for irrigation and saves 150,000 gallons of water annually.

Arden Hills employees enjoyed 40 pounds of honey produced by their bees. In Ireland, the honey earned a Supreme award at the Fota Honey Show as well as second-place awards at the Phoenix Park Honey Show and the Clonmel Honey Show. In England, it earned a Highly Commended distinction at the National Honey Show.
our practices
“Acting with integrity and sustaining ethical and inclusive business practices positively impacts our customers and creates an environment where we are all proud to work.”

— Ed Mackey, Executive Vice President, Global Operations

GOVERNANCE
Strong corporate governance is foundational to the overall success of our business. Boston Scientific has established governance guidelines crafted by our Board of Directors and executive leadership to ensure we act ethically in our business practices, comply with local tax and business laws and regulations, and remain transparent in our reporting. We apply these guidelines to our interactions with customers, suppliers and investors, and in the communities in which we operate. Our Board and executive leadership team maintain charters for our various governing committees, including audit, executive compensation and human resources, finance, and nominating and governance. A nominating and governance committee reviews our Board composition and committee membership annually to ensure it reflects the needs of our diverse stakeholders.

Risk management is essential to our governance. Our Board of Directors oversees our Enterprise Risk Management program, which identifies strategic, operational, financial, legal and compliance risks so we can anticipate and adapt to potential challenges.

We continually evaluate our corporate governance guidelines, committee charters and Code of Conduct, taking into consideration relevant laws, regulations and listing requirements, as well as best practices suggested by recognized governance authorities.

COMPLIANCE, ETHICS AND INTEGRITY
Our company values underpin our commitment to ethical and honest business practices in everything we do to transform lives through innovative medical solutions that improve patient health.

Our employees are expected to:

- Act honestly and ethically in all company matters
- Protect the privacy of patients, customers and employees
- Treat each other with respect and fairness
- Hold each other accountable to ensure quality in all that we do

The Global Compliance team, led by our chief compliance officer, supports the company’s worldwide culture of compliance and ethics through partnerships and collaboration with commercial team members and other key stakeholders. The chief compliance officer reports quarterly to the audit committee of the Board of Directors.

Code of Conduct for Employees and Channel Partners
Boston Scientific complies with applicable laws in every relationship, every day. Our Code of Conduct is the foundation for our existing policies and must be read and fully understood by every employee.

Our Code of Conduct training curriculum provides ongoing education to employees on our policies, briefs them on corruption and other compliance-related risks, and provides resources for asking questions and reporting concerns. It also features real-life, scenario-based content.
Our U.S. Customer Interactions training provides guidance on the laws, policies, principles and processes for interacting with healthcare professionals licensed to practice in the United States. And our anti-corruption training course reviews the compliance requirements for interacting with healthcare professionals, public officials and other third parties, such as our channel partners (e.g., distributors, dealers and agents) outside of the United States.

Our Channel Partner Code of Conduct sets forth expectations for channel partners doing business on our behalf. All channel partners annually certify their adherence to the Boston Scientific and Channel Partner Codes of Conduct as part of on-boarding or renewal procedures as well as through mandatory training. Boston Scientific requires channel partners to abide by anti-bribery and anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other national laws. We monitor and support our channel partners through our Third Party Program, which includes on-site auditing and other procedures that validate channel partners’ compliance with our requirements.

**Boston Scientific Advice Line**

We encourage employees to ask questions and report concerns, including anything that conflicts with our Code of Conduct, through our advice line, which is operated by a third party and available 24 hours a day in multiple languages.

Our Non-Retaliation Policy prohibits any form of retaliation, direct or indirect, against an individual who raises a concern in good faith. This policy extends to anyone who assists with, or cooperates in, an investigation or report of misconduct.

**DIVERSITY AND INCLUSION**

Our diversity value stands for inclusion, equality and opportunity for all, and it guides our work to advance science and improve patient health. By embracing our individual backgrounds and perspectives, we create a more rewarding workplace for our employees, and we reflect the patients, customers and communities we serve.

Our approach to diversity and inclusion is focused on four strategic pillars:

- **Career:** Attract, advance and retain diverse employees
- **Culture:** Build and sustain an inclusive environment that fosters innovation and high performance
- **Community:** Promote diversity and inclusion awareness and encourage engagement
- **Commerce:** Facilitate diversity and inclusion outcomes to influence business opportunities

The Boston Scientific Global Council for Inclusion meets quarterly to measure our collective progress and ensure we are meeting our diversity and inclusion objectives. The Council, chaired by the company’s executive vice president and chief financial officer, comprises all executive committee members, the global diversity and inclusion team, and the global leads for our nine employee resource groups.
OUR PRACTICES

Our global Women’s Network Employee Resource Group plays an important role in supporting women’s leadership. The group coordinates local, regional and global initiatives that expand opportunities for networking, development and visibility.

In 2017 we introduced Benefits to Fit Your Life, which provides U.S.-based employees with benefits that meet their individual needs as they integrate life and work. We expanded parent-specific benefits, including parental leave, on-site day care in some locations, resources for back-up and after-school childcare, and a breastmilk shipping service for employees who travel. We are also working to increase awareness and support for flexible work arrangements and are in the process of expanding the Benefits to Fit Your Life program and its offerings in countries around the world.

Each year, Boston Scientific participates in external benchmarks surveys that help measure and evaluate our progress and identify opportunities for improvement to support and engage various employee groups. For example, as this relates to working women, we participate in the annual LATINA Style Best Companies for Latinas, NAFE Top Companies for Executive Women, Working Mother 100 Best Companies and Working Mother: Best Companies for Multicultural Women. In 2017, Boston Scientific was recognized by LATINA Style for the third consecutive year and for the first time as a Working Mother 100 Best Company.

Accelerating Diversity and Inclusion in Strategic Areas

In 2017, Boston Scientific continued to make progress in strategic diversity and inclusion focus areas, including developing and advancing women leaders and extending the reach of our Close the Gap health equity initiative.

Advancing Women Leaders

- Our business leaders continue to place an increased focus on helping female employees reach their full potential and spur change across the company. Through accelerated talent development programs for women, sponsorship and mentoring opportunities, as well as targeted recruiting and succession planning, we are making progress in expanding our female talent pipeline.

Close the Gap Health Equity Initiative

Boston Scientific is leading efforts to promote health equity through our Close the Gap initiative, which aims to eliminate care disparities and improve patients’ access to health services regardless of their age, gender, race, ethnicity or primary language. Boston Scientific collaborates with diverse stakeholders to advocate for broader minority representation in clinical trials, to support patient advocacy efforts, and to reach underserved patient populations with culturally relevant education and resources delivered through events, programs and social media dialogue. In 2017, more than 120 Close the Gap events took place in communities across the United States.

As part of Close the Gap, Boston Scientific sponsored and implemented the PLATINUM Diversity trial, a first-of-its-kind study focusing exclusively on women and minorities with coronary artery disease. The study is designed to shed light on the clinical, social, behavioral and economic factors that affect health treatment outcomes in these groups. In 2017, new study analyses underscored the need for greater understanding of the clinical and nonclinical barriers that can adversely affect cardiovascular outcomes. In addition, the Boston Scientific WIN-Her™ Initiative is piloting new approaches to patient education, provider-patient communication, and investigative site training in two randomized cardiovascular medical device trials designed to increase female participation rates.
Employee Resource Groups
Employee resource groups play a prominent role in creating a more inclusive workplace by providing forums for employees with common goals and backgrounds to share their experiences and support community initiatives. Across the globe, more employees are getting involved in these voluntary, company-sponsored groups to support the education, awareness and conversations that are essential to creating a strong culture of diversity and inclusion. The number of employee resource group chapters continues to expand globally, increasing by more than 10 percent to 71 chapters worldwide last year.

Boston Scientific employee resource groups include:

- **BRIDGE** – Developing a Community of Black Leaders, which serves to make connections across cultures and support employee development
- **HOLA** – Hispanic Organization for Leadership & Achievement, which focuses on celebrating Latino culture by building community and sharing the Boston Scientific brand

**OUR PRACTICES**

**Employee Resource Groups**

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- **BRIDGE** – Developing a Community of Black Leaders, which serves to make connections across cultures and support employee development
- **HOLA** – Hispanic Organization for Leadership & Achievement, which focuses on celebrating Latino culture by building community and sharing the Boston Scientific brand
- **LEAD** – Leadership, Education and Allies for Disabilities, which promotes the inclusion of people with disabilities
- **PACE** – People Accepting and Celebrating Equality (LGBTQ+), which unites in solidarity to celebrate equality for all
- **PEARL** – Pacific East Asian Resources in Leadership, which celebrates and promotes the Asian heritage at work and in the community
- **SAIL** – South Asians in Leadership, which works to connect and share the South Asian culture
- **VETS** – Veterans & Employees Together in Service, which focuses on cultivating an atmosphere of gratitude and service to others
- **Women’s Network** which focuses on advancing and promoting the professional development, health and education of all women
- **YPN** – Young Professionals Network, which aims to give a voice to diverse perspectives and innovative ideas by developing a community of professionals early in their careers

Boston Scientific employees in our PACE employee resource group in Valencia, CA celebrate at a LGBT History Month flag raising ceremony.
Continuity of the highest-quality component supply requires a rigorous supply chain and supplier risk-management approach. Our sourcing team monitors the risk level of suppliers to ensure that we are partnering with long-term suppliers that share our customer focus, while our supply chain facilitates planning for Boston Scientific products across divisions and regions. Both teams enable our network of manufacturing plants and global distribution centers to provide the right product at the right place at the right time.

**SUPPLIERS**

We could not accomplish our work to help physicians improve patients’ lives without the support of more than 10,000 global suppliers. Our customers depend on these suppliers every day, and we are committed to developing and fostering supplier relationships that deliver industry-leading quality, reliability and value. We actively look for suppliers that are recognized as leaders in their industries, with a demonstrated focus on improving customer value.

The ability to meet our quality requirements is the most important aspect of our supplier relationships, and all direct materials suppliers are required to comply with Boston Scientific quality standards. We seek partnerships with suppliers that share our commitment to strong ethics and full compliance with all applicable laws and consider the demonstration of responsible practices to be an indicator of a supplier’s long-term sustainability. Evaluating potential partnerships against our strict criteria takes time, but partnerships with responsible suppliers are a fundamental component of our business continuity and risk mitigation strategy.
This Performance Report contains forward-looking statements within the meaning of the federal securities laws. See the discussion under “Safe Harbor for Forward-Looking Statements” in the Annual Report on Form 10-K for the year ended December 31, 2017 for matters to be considered in this regard. In addition, please see our Annual Report on Form 10-K for a description of our Non-GAAP adjustments and the reasons for excluding each item.

<table>
<thead>
<tr>
<th>PERCENTAGE CHANGE IN NET SALES</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage change in net sales, reported</td>
<td>8%</td>
<td>12%</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>Less: Impact of foreign currency fluctuations</td>
<td>0%</td>
<td>0%</td>
<td>-7%</td>
<td>-2%</td>
</tr>
<tr>
<td>Percentage change in net sales, operational</td>
<td>8%</td>
<td>12%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Less: Impact of significant acquisitions</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Percentage change in net sales, organic</td>
<td>7%</td>
<td>10%</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERCENTAGE CHANGE IN NET SALES BY SEGMENT</th>
<th>Year Ended December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>MedSurg</td>
<td>Cardiovascular</td>
</tr>
<tr>
<td>Percentage change in net sales, reported</td>
<td>13%</td>
</tr>
<tr>
<td>Less: Impact of foreign currency fluctuations</td>
<td>0%</td>
</tr>
<tr>
<td>Percentage change in net sales, operational</td>
<td>12%</td>
</tr>
<tr>
<td>Less: Impact of significant acquisitions</td>
<td>2%</td>
</tr>
<tr>
<td>Percentage change in net sales, organic</td>
<td>10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING MARGIN</th>
<th>2017</th>
<th>2016</th>
<th>2015*</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin, reported</td>
<td>14.2%</td>
<td>5.3%</td>
<td>-3.8%</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Less: Non-GAAP adjustments</td>
<td>-10.8%</td>
<td>-18.8%</td>
<td>-26.1%</td>
<td>-24.3%</td>
</tr>
<tr>
<td>Operating margin, adjusted</td>
<td>25.0%</td>
<td>24.1%</td>
<td>22.3%</td>
<td>20.2%</td>
</tr>
<tr>
<td>Change in basis points from 2014</td>
<td>480</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Certain prior year balances have been reclassified from Operating Expenses to Other, net to reflect our adoption of ASC Update 2017-07. Please refer to our annual report for the period ended December 31, 2017 on Form 10-K for additional details.

Percentages are calculated using unrounded numbers and may not recalculate precisely due to rounding. Amounts may not add due to rounding.
### Earnings per Diluted Share

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP net income (loss) per share</td>
<td>$0.08</td>
<td>$0.25</td>
<td>$(0.18)</td>
<td>$(0.09)</td>
</tr>
<tr>
<td>Non-GAAP adjustments</td>
<td>1.18</td>
<td>0.86</td>
<td>1.11a</td>
<td>0.93b</td>
</tr>
<tr>
<td>Adjusted net income (loss) per share</td>
<td>$1.26</td>
<td>$1.11</td>
<td>$0.93</td>
<td>$0.84</td>
</tr>
<tr>
<td>Less: Impact of foreign currency fluctuations in 2017</td>
<td>(0.08)</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted net income (loss) per share, excluding foreign currency</td>
<td>$1.34</td>
<td>$1.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Impact of foreign currency fluctuations in 2016</td>
<td>(0.06)</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted net income (loss) per share</td>
<td>$1.11</td>
<td>$0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Impact of foreign currency fluctuations in 2015</td>
<td>(0.10)</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted net income (loss) per share, excluding foreign currency</td>
<td>$1.03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS growth from prior year</td>
<td>13%</td>
<td>20%</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Adjusted EPS growth from prior year, excluding foreign currency</td>
<td>20%</td>
<td>26%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>3-year average adjusted EPS growth</td>
<td>$14.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Assum es dilution of 21.5 million shares for the year ended December 31, 2015 for all or a portion of these non-GAAP adjustments. b Assumes dilution of 23.7 million shares for the year ended December 31, 2014 for all or a portion of these non-GAAP adjustments.

### Percentage Change in Net Sales by Business

<table>
<thead>
<tr>
<th>Business</th>
<th>As Reported</th>
<th>Less: Impact of Currency Fluctuations</th>
<th>Operational Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interventional Cardiology</td>
<td>6.1%</td>
<td>0.0%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Peripheral Interventions</td>
<td>6.8%</td>
<td>0.2%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Cardiac Rhythm Management</td>
<td>2.5%</td>
<td>0.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Electrophysiology</td>
<td>14.5%</td>
<td>0.1%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Endoscopy</td>
<td>12.4%</td>
<td>0.1%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Urology and Pelvic Health</td>
<td>11.8%</td>
<td>0.2%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Neuromodulation</td>
<td>14.2%</td>
<td>0.1%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

### Percentage Change in Net Sales by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>As Reported</th>
<th>Less: Impact of Currency Fluctuations</th>
<th>Operational Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>8.5%</td>
<td>0.0%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>8.0%</td>
<td>1.2%</td>
<td>6.8%</td>
</tr>
<tr>
<td>AMEA</td>
<td>6.3%</td>
<td>-1.2%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Other</td>
<td>7.5%</td>
<td>2.2%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Percentages are calculated using unrounded numbers and may not recalculate precisely due to rounding. Amounts may not add due to rounding.