

St. Jude Medical J. P. Morgan 2012 Health Care Conference

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January 9, 2012

Forward-Looking Statements

This presentation 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 Annual Report on Form 10-K for the fiscal year ended January 1, 2011 and Quarterly Report on Form 10-Q for the fiscal quarter ended October 1, 2011. The Company does not intend to update these statements and undertakes no duty to any person to provide any such update under any circumstance.



Comments on Preliminary Q-4 2011 Results

- Preliminary sales for Q-4 2011 grew approximately 4% on a reported basis.
- Sales growth exceeded the upper end of our previously issued guidance ranges both for our atrial fibrillation and our neuromodulation businesses.
- We are comfortable that adjusted EPS for Q-4 2011 will be within our previously issued guidance of \$0.83 to \$0.85.
- STJ will provide its normal level of information on Q-4 2011 results and expectations for 2012 on January 25th with a press release and conference call.

MedTech Fundamentals Weakened During The Second Half of 2011

- Procedure volumes slowed due to macro-economics, ongoing structural changes in health care, RAC audits, DOJ investigations, recalls, negative press, and regulatory barriers.
- ASP pressure is severe.
- Although fundamentals eventually will strengthen, we look forward to 2012 from the starting point that MedTech is entering the year facing a number of headwinds.

What Does This Mean For St. Jude Medical?

We Are Well Positioned To Win In Today's MedTech Environment

- Demographics are on our side. In developed markets, the population is getting older. In emerging markets, the population is getting richer. Both markets offer growth for the right technologies.
- The growth opportunity for mature technology is strongest in international markets. Within our closest peer group, we are best in class for exposure to international markets. 55% of our revenue came from international markets during Q-4.

We Are Well Positioned To Win In Today's MedTech Environment

- We have been disciplined and strategic with our investments in new growth drivers. Our pipeline of new growth drivers is a major competitive advantage.
- We focus on life saving and other critical devices. We have minimal exposure to elective procedures and capital budgets.
- We have invested in technology that wins under comparative effectiveness standards.
- The remainder of my remarks today will focus on the balanced portfolio of new growth drivers we have created to support our goal of returning to high single digit or low double digit sales growth on a sustainable basis.

New Growth Drivers In Our Cardiac Rhythm Management Franchise



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We Predict That Our CRT-D System Will Become The Standard Of Care In Our Space

- Clinical data shows that benefits of a quadripolar CRT-D system can include shorter implant times, reduced fluoroscopy exposure, fewer surgical revisions and hospital readmissions, improved pacing, and less phrenic nerve stimulation.
- The Quartet lead requires a Quadra ICD. Our Quadra ICD is downsized, delivers 40 joules, and is state of the art.
- The competition is far behind.
- We announced FDA approval on November 29. We began working through the contracting and selling cycle in December. We expect the momentum for this technology to gradually build throughout 2012.



New Growth Drivers In Our Cardiovascular Franchise



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During the next year, we expect to enter two of the most promising growth opportunities of the coming decade – transcatheter valves and renal denervation for hypertension.

- The process for obtaining CE mark is underway.
- We are generating strong clinical data to support the launch for both of these technologies in Europe before the end of 2012.
- We will discuss additional details at our annual investor conference on February 3.

We are incubating a significant new growth driver in percutaneous mitral valve repair (PMVR).

- The market for PMVR can be as big as the market for TAVI.
- Our first in human (FIH) series is underway.
- We estimate that we will receive CE mark and begin launching this technology in Europe before the end of 2013.



We are a leader in the emerging market for patent foramen ovale (PFO) closure in patients who suffer from cryptogenic stroke.

- In Europe, we have full commercial release, significant product advantage, and clear market leadership.
- In the U.S. we just announced closure of enrollment in our RESPECT pivotal IDE trial. We have 980 patients and 2,300 years of patient data.
- We plan to announce the results of our RESPECT trial at one of the major cardiology meetings in the U.S. later this year.



We are a leader in the emerging market for left atrial appendage (LAA) closure in patients suffering from AF.

- The National Institute for Clinical Excellence (NICE) in the U.K. issued a guidance in 2010 supporting the comparative effectiveness of LAA occlusion in patients with AF.
- Full product launch and market development is underway in Europe with encouraging clinical response.
- This market will create synergy with our AF growth platform and has the potential to become a new billion dollar growth driver.



We are the leader in the fast growing market for fractional flow reserve (FFR) guided therapy for stenting patients with multi-vessel disease.

- Two year data from our FAME landmark clinical trial confirms comparative effectiveness with both clinical and economic metrics.
- We are continuing to expand this market with our FAME II trial, ongoing product improvements, and conventional market development programs.
- We expect FFR measurement to become standard of care and a significant growth driver for STJ.



We are gaining share in the \$500 million market for intravascular imaging with our OCT technology.

- We are first to market with optical coherence tomography (OCT) product lines in Europe, Japan and in the U.S.
- During Q-4, we received FDA approval to integrate our OCT technology into our FFR hardware platform. We expect strong synergy between both new growth drivers in 2012 and beyond.
- We will talk more about the value and competitive advantages of our integrated FFR and OCT technology at our annual investor meeting.



2012 will be a prime year for growth from our Trifecta line of pericardial stented tissue valves.

- We began launching our Trifecta line of pericardial stented tissue valves in the U.S. during Q-2 2011.
- Last quarter we said revenue for our stented tissue valve products grew over 50% globally and is expected to continue growing at a strong double digit rate for the foreseeable future.
- We are just beginning to capture our share of this new \$500 million segment of the heart valve market.



We are the leaders with next generation technology to block or redirect flow through blood vessels with a vascular plug instead of with surgical clips or embolic coils.

- This already is one of the fastest growing portions of the portfolio we acquired through the AGA transaction.
- We expect to accelerate the growth of this product line by launching AVP IV in the U.S. during 2012.

We have a leading position in the market for repairing ASD's, VSD's, and other structural heart defects with minimally invasive catheter technology.

- This is another franchise we acquired through the AGA transaction.
- Our market share is over 70%.
- We expect to generate significant new market growth through STJ's global reach in emerging markets.

New Growth Drivers In Our Neuromodulation Franchise



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We have entered the market in Europe for deep brain stimulation (DBS) for patients suffering from Parkinson's disease.

- Full commercial launch in Europe began during Q-4 2010 for our Brio rechargeable deep brain stimulator, our Athena DBS clinical programmer, and a complete line of proprietary leads and accessories.
- We have supported our launch with presentation of favorable data from our U.S. pivotal trial.
- We are second to enter the market and expect to gain meaningful share.

We are first to market with neuromodulation technology for patients who suffer from certain forms of migraine.

- We received CE mark for our first generation system in September 2011 and have begun a limited launch. We expect full commercial launch of a second generation product to begin in Europe during Q-2.
- Market development will take time, but we expect our migraine business to become a significant new growth driver long term.

We expect to be first to market with neuromodulation technology for patients who suffer from certain forms of depression.

- Our BROADEN U.S. IDE pivotal trial is underway.
- Although still early, the clinical data we are accumulating is encouraging.
- Pilot study results published in the Journal of Neurosurgery last quarter showed that 62% of the patients in the study had a clinically significant reduction in depression scores at one year.

New Growth Drivers In Our Atrial Fibrillation Franchise



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We continue to strengthen our AF growth franchise.

- International sales of AF products increased approximately 19% during Q-4 and are a leading indicator for the growth we expect as we launch these same products in the U.S.
- Our first Mediguide enabled cath labs are on line in Europe. This technology has the potential to become a “game changer”.
- AF market growth is being supported by new ESC guidelines (September 2010), new AHA/HRS guidelines (December 2010), the CABANA trial (ongoing), the EAST trial (ongoing), and by continuous improvement in technology.



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This review of initiatives to accelerate our sales growth on a sustainable basis is not exhaustive.

- We look forward to discussing these and additional growth dynamics during our annual investor meeting on February 3.
- Although it is beyond the scope of today's presentation, we also will provide an update on February 3 regarding our initiatives to optimize costs and productivity to capture EPS leverage.

Conclusions

- We have a balanced portfolio of major new growth drivers to support our goal of returning to high single digit or low double digit sales growth on a sustainable basis.
- We are committed to capturing EPS leverage without sacrificing long term growth.
- We have a strong balance sheet and cash flow to continue to repurchase stock, maintain our dividend, and fund disciplined acquisitions as appropriate.
- STJ's program for superior long-term growth is robust and on track.



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