

St. Jude Medical 2011 Deutsche Bank 36th Annual Health Care Conference

John C. Heinmiller, Executive Vice President and Chief Financial Officer

May 2, 2011



ST. JUDE MEDICAL™

MORE CONTROL. LESS RISK.

Forward-Looking Statements

The 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. The Company does not intend to update these statements and undertakes no duty to any person to provide any such update under any circumstance.



Summary of new growth drivers

Impacting 2011 and beyond

1. Unify Quadra and CardioMEMS***
2. Eon-mini/new geographies**
3. DBS Parkinson's**
4. Migraine***
5. MediGuide/new ablation systems***
6. Trifecta**
7. FFR**
8. OCT**
9. LAA***
10. PFO stroke***
11. ASD/VSD*
12. Vascular plugs

* Market potential exceeds \$250 million.

** Market potential exceeds \$500 million.

*** Market potential exceeds \$1 billion.



ST. JUDE MEDICAL™

MORE CONTROL. LESS RISK.

Summary of new growth drivers

Impacting 2013 and beyond

- | | |
|--------------------------|-----------------------|
| 13. TAVI*** | 16. DBS depression*** |
| 14. PMVR*** | 17. TAA/AAA*** |
| 15. Renal denervation*** | 18. PFO migraine*** |

The total market potential for these 18 new growth drivers exceeds \$14 billion.

*** Market potential exceeds \$1 billion.

Cardiac Rhythm Management



We are confident that we will be successful even with the current levels of market growth.

- U.S. ICD sales grew 9%* in Q1-2011 and 14% for full year 2010.
- We are on track to gain approximately 4 points of ICD market share in the U.S. over the next 4 to 6 years due to a tailwind created by replacement market dynamics.
- We have a strong pipeline of new ICD products launched or scheduled to launch in 2011.
 - ShockGuard - WW
 - Unify Quadra - WW (Expecting FDA Approval mid-2011)
 - Accent MRI Pacemaker - EU
 - Unify & Fortify - Japan

*Excluding the one time impact from the competitor suspension of all ICD sales in the U.S.

We are bringing a major new growth driver to our CRM business in 2011.

- Quadripolar leads: Creating a new standard of care for CRT
- Very successful European launch:
 - CRT-D growth rate significantly above market growth rates
 - Again, CRT-D mix at an all time high
- U.S. Launch of Unify Quadra expected in mid-2011
 - Expect U.S. adoption to be even faster than EU
 - Launch with downsized **Unify Quadra**
 - First-to-market and exclusive market position for multiple years

We are bringing a major new growth driver to our CRM business.

- During 2010, we completed a transaction with CardioMEMS that gives us an exclusive option to purchase the company.
- In Q1-2011, CardioMEMS received expedited review status for their PMA application from the FDA
- The CardioMEMS CHAMPION trial showed a 39% reduction in heart failure hospitalizations during an average follow-up duration of 15 months.
- This technology can be combined with our CRT systems for heart failure patients and become a new billion dollar growth opportunity following global market release and full development of the market.

Neuromodulation



ST. JUDE MEDICAL

MORE CONTROL. LESS RISK.

We are expanding our geographical reach with our Eon Mini line of spinal cord stimulators.

- The success of our Eon-mini product line in other parts of the world gives us confidence we can gain a significant share of the spinal cord stimulation market in Japan.
- We expect additional growth from expanding the spinal cord stimulation markets in China, India, Brazil, and in other underpenetrated countries.
- The U.S. market is depressed due to macroeconomic issues. We expect this market to recover over time.

We are entering the market for deep brain stimulation (DBS) for patients suffering from Parkinson's disease.

- Full commercial launch in Europe began during Q4 for our Brio rechargeable deep brain stimulator, our Athena DBS clinical programmer, and a complete line of proprietary leads and accessories.
- We plan to publish data from our U.S. pivotal trial during the Movement Disorder Society meeting (June 5-9).
- We are second to enter the market and expect to gain meaningful share.

During 2011, we expect to receive CE mark and enter the market for neuromodulation in patients who suffer from certain forms of migraine.

- We expect to be the first to market.
- Market development will take time, but we expect our migraine business to become a significant new growth driver long term.
- Submitted late-breaking abstract to International Headache Society (June 23-26).

Atrial Fibrillation



ST. JUDE MEDICAL

MORE CONTROL. LESS RISK.

We continue to strengthen our AF growth franchise.

- Q1 sales grew 13% constant currency.
- We announced FDA approval for two new ablation catheter technologies in the U.S. in Q1.
 - Safire BLU Bi-directional Irrigated ablation catheter
 - Therapy Cool Path Bi-directional ablation catheter
- AF market growth is being supported by new ESC guidelines (September 2010), new AHA/HRS guidelines (December 2010), the CABANA trial (ongoing), and by continuous improvement in technology.

Cardiovascular



We have entered the \$500 million market for pericardial stented tissue valves.

- We began full commercial launch of our Trifecta pericardial stented tissue valves in Europe during Q4.
- We received FDA approval on April 20th and are beginning full commercial launch in the U.S. this quarter.
- Early clinical response is encouraging and consistent with our expectation that our Trifecta stented tissue valves can become a major new growth driver.



We are leaders 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.



During 2010 we entered the \$500 million market for intravascular imaging with our acquisition of LightLab Imaging.

- We have launched the first and only optical coherence tomography (OCT) product line on the market in Europe, Japan and in the U.S.
- We are integrating our FFR technology into our OCT hardware platform and expect strong synergy between both new growth drivers.
- We can integrate IVUS and other technology into this platform as appropriate.



We are committed to capturing EPS leverage without sacrificing long-term growth.

- We are committed to maintaining R&D investment at a rate that supports our growth programs.
 - Guided to a step-up in 2011 to support current growth efforts.
- We have significant programs in place to benefit our gross margin in 2011 and 2012.
 - Raised 2011 guidance by 30 basis points
 - Continued improvement related to manufacturing initiatives
 - Manufacturing in Costa Rica and Malaysia will begin to benefit gross margin and tax rate in 2012
- We are on track to improve SG&A through growth and productivity gains.
- We are on track to continue to reduce our income tax rate.



ST. JUDE MEDICAL™

MORE CONTROL. LESS RISK.

Initiation of a dividend reflects our strong confidence

- Dividend commitment of \$0.21/share represents a subset of cash allocated to share buyback programs.
 - Not counting the shares repurchased in connection with the AGA acquisition, during the four year period 2007 – 2010 we have repurchased approximately \$650M in common stock on average each year.
 - The dividend we are proposing will distribute approximately \$274M annually.
- Strong projected cash flows give ample capacity for stable distribution with no impact to pursuing acquisitions that make sense and additional buybacks.
- Reflects our strong performance and confidence in future cash flows as well as our long-term growth potential.



Progress on new near-term growth drivers

1. Unify Quadra quadripolar CRT-D system – awaiting FDA response to our completed PMA supplement submission
2. Trifecta – received FDA approval in April and current U.S. launch underway
3. CardioMEMS* – the FDA has granted expedited review status to the CardioMEMS PMA application
4. Recent approvals of other new products:
 - a) ShockGuard Technology – FDA and CE Mark
 - b) Safire BLU and Therapy Cool Path Bi-directional Ablation Catheters – FDA
 - c) Accent MRI pacemaker and Tendril MRI lead - CE Mark
 - d) Unify Quadra CRT – CE Mark
 - e) Unify CRT-D and Fortify ICD – Japan
 - f) Epic Stented Tissue Valve – Japan



Conclusions

- We have a balanced portfolio of major new growth drivers to support our goal of returning to sustained, double-digit growth in sales.
- We have clear visibility into ongoing EPS leverage.
- We have a strong balance sheet and cash flow to initiate a dividend program, continue to repurchase stock and fund disciplined acquisitions as appropriate.
- STJ's program for superior long-term growth is robust and on track.