

SPINE MARKET OVERVIEW 2015


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WW CHALLENGES / OPPORTUNITIES

Favorable demographics with 350m annual incidence WW and 5M annual surgeries	Scrutiny for appropriate utilization of care growing	Robotic and navigation systems trend will continue
Single-use sterilized implants and instruments serve the cost conscious hospitals and regions	MIS implants and techniques assist to drive costs down with shorter OR times, quicker recovery and the potential to be performed outpatient. MIS estimated at 40 percent US TL Market	


2 Secondary Data, Internal estimates

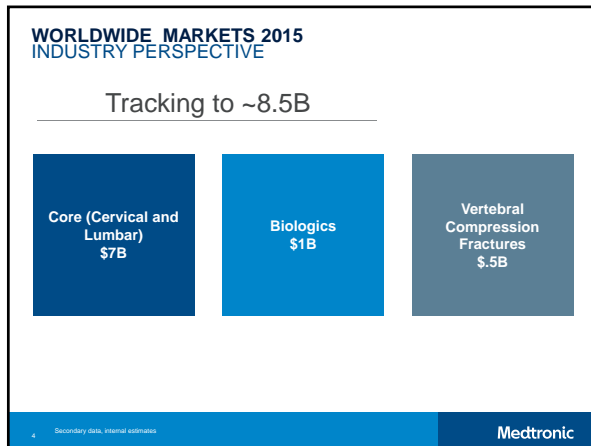


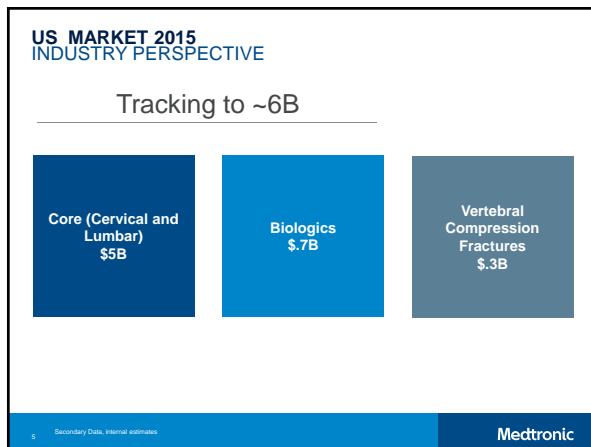
SPINE KEY TRENDS

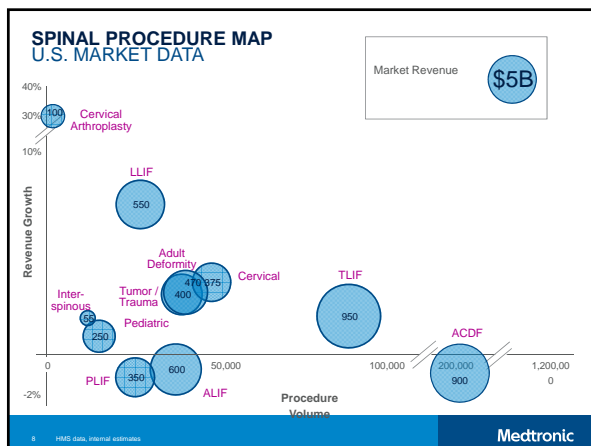
<input checked="" type="checkbox"/>	Stable Market - estimated \$8.5B market showing 2% Y/Y growth in 2015
<input checked="" type="checkbox"/>	Top 5 companies make up about 70% of market
<input checked="" type="checkbox"/>	Continued growth expected over next 5 years with sales of approximately \$9.5B by 2020

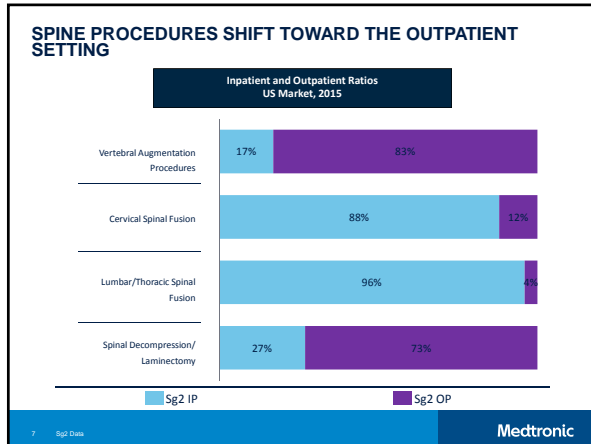
3 Secondary data

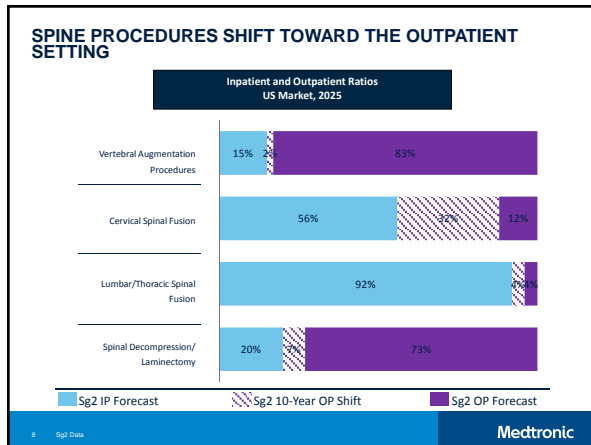












TAKEAWAYS

Large global mkt with solid growth; demographics and under-penetrated regions are drivers

U.S. remains 70% of global market; low digit growth the result of procedure volumes offset by price

U.S. payors continue to challenge providers to justify fusions

>50 million physician visits for back pain annually and growing

Spine is profitable for hospitals – it's the foundation of neuroscience centers, and also the focus of standalone Centers of Excellence

9 Secondary data Medtronic
