

## Dear Stockholders: It is an exciting time to be part of Boston Scientific, as evidenced by the significant progress we made in 2014 and the many opportunities we have ahead to continue advancing science for life.

We are working to address many of the pressures facing healthcare systems today. This includes improving patient outcomes, lowering costs, and increasing access to life-saving and life-enhancing therapies. We are meeting the increasingly global demand for our products and delivering economic value to our hospital customers that will help them improve procedural efficiency, shorten lengths of stay and reduce readmission rates. At Boston Scientific, we are evolving our business to lead in this dynamic industry. Our customer-centered approach is positioning our company as a *partner of choice* among healthcare providers and insurers.

We provide a comprehensive portfolio of market-leading, innovative products and solutions to advance the treatment of patients suffering from debilitating diseases and disorders, including heart, digestive, pulmonary, vascular, urological, women's health, and chronic pain conditions.

Our employees are committed to the mission of transforming lives through innovative medical solutions that improve the health of patients around the world. During the past year, our solutions touched the lives of more than 21 million patients.<sup>3</sup>

Our performance in 2014 was very strong. We fulfilled our commitments, and our financial results exceeded our guidance for the year.

We delivered consolidated revenue of \$7.462 billion, which represented a 6 percent increase in operational revenue compared to 2013, and
 3 percent revenue growth on a reported basis.<sup>1</sup>

- Our adjusted earnings per share were \$0.84 in 2014, compared to \$0.73 in 2013, representing a 15 percent increase year-over-year.<sup>4</sup> We reported a GAAP loss of \$0.09 per share for both 2014 and 2013.
- We expanded gross profit margin to 70.1 percent from 69.6 percent in 2013.
- We continued to invest in meaningful innovation, with \$817 million, or approximately 11 percent of sales, fueling research and development.

Our seven business units are organized into three global reporting segments – Cardiovascular, Rhythm Management and MedSurg. In 2014, nearly all of our business units grew at or above market.

- The CARDIOVASCULAR segment, consisting of our Interventional Cardiology and Peripheral Interventions businesses, grew operational revenue 5 percent in 2014 and improved adjusted operating margin year-over-year by more than 200 basis points.<sup>5</sup> Interventional Cardiology delivered exceptional performance, driven by strong sales of drug-eluting stents and products from our complex coronary interventional portfolio and emerging structural heart franchise. Peripheral Interventions added market-leading capabilities in thrombectomy and atherectomy with our acquisition of the Bayer AG interventional business.
- The RHYTHM MANAGEMENT segment, made up of the Cardiac Rhythm Management and Electrophysiology businesses, grew operational revenue 6 percent in 2014, while adjusted operating margin improved more than 300 basis points year-over-year. <sup>5</sup> Cardiac Rhythm Management increased global sales of its defibrillation and pacer products throughout the year, and accelerated

<sup>1</sup> Operational sales/revenue and growth rates are non-GAAP measures that exclude the impact of sales from divested businesses and changes in foreign currency exchange rates; see reconciliation to GAAP sales/revenue and growth rates on page 8. • 3 Rounded average based on Company sales and estimated usage patterns as of December 31, 2014. • 4 Adjusted earnings per share and adjusted earnings per share and adjusted earnings per share on page 8. • 5 Operational sales/revenue and growth rates are non-GAAP measures that exclude the impact of changes in foreign currency exchange rates; adjusted operating margin is a non-GAAP measure; see reconciliation to GAAP sales/revenue growth rates and operating margin on page 8.

demand for the Subcutaneous Implantable
Defibrillator (S-ICD) platform, which exceeded
2014 revenue expectations. The S-ICD™ System
is the only implantable defibrillator that provides
protection from sudden cardiac arrest while
leaving the heart and vasculature untouched.
The adoption of this highly innovative technology
is being introduced into Asia and South America.
Additionally, the Electrophysiology business
expanded its commercial impact with the launch
of the Rhythmia™ Mapping System, which enables
physicians to diagnose heart arrhythmias and
assess appropriate intervention.

■ The MEDSURG segment, comprised of the Endoscopy, Urology and Women's Health and Neuromodulation businesses, grew operational revenue 5 percent in 2014, and adjusted operating margin improved more than 100 basis points year-over-year. Endoscopy posted operational sales growth of 5 percent in 2014, and Urology and Women's Health delivered double-digit operational sales growth in the international markets. Neuromodulation delivered strong results with 5 percent operational sales growth and expanded the clinical application of its deep brain stimulation platform to assist in the treatment of Parkinson's disease.

## Our Strategic Imperatives at Work

Advancing science to improve the lives of patients requires innovation and a commitment to excellence by our global teams. We have established a compelling strategic plan and aligned our organization around the following imperatives to continue delivering on our commitments.

# Strengthen execution to grow share in our core markets

We STRENGTHENED execution to grow share, demonstrating the clinical and economic value of our products and solutions.

 We initiated several clinical trials, including the PLATINUM Diversity Trial to evaluate the performance of the Promus PREMIER™ Coronary Stent

- System for treating coronary artery disease in patient populations not typically studied in large-scale Cardiology trials. These groups include women, African-Americans, Latinos and Hispanics, Native Americans and Alaska Natives.
- We reported results of the EVOLVE II trial, initiated to help drive the regulatory approval of our SYNERGY<sup>TM</sup> Bioabsorbable Polymer Stent System.<sup>6</sup> The highly differentiated SYNERGY stent is designed to provide early healing and freedom from long-term polymer exposure through synchronous dissolution of both drug and polymer.
- We also extended our portfolio, receiving hundreds of regulatory approvals and clearances worldwide for new products, such as Advanix<sup>TM</sup> Pancreatic Stent, AUTOGEN<sup>TM</sup>, DYNAGEN<sup>TM</sup> and INOGEN<sup>TM</sup> ICDs and CRT-Ds, Ranger<sup>TM</sup> Paclitaxel-Coated PTA Balloon Catheter<sup>7</sup>, Agent<sup>TM</sup> Drug-Coated Balloon Catheter<sup>7</sup>, Vercise<sup>TM</sup> Deep Brain Stimulation (DBS) System<sup>6</sup> for the treatment of tremor and Symphion<sup>TM</sup> Hysteroscopic Tissue Removal System.

## Expand into high growth adjacencies

We EXPANDED into high growth adjacencies, acquiring successful technologies and product lines, while seeking market approvals for differentiated offerings.

- We acquired loGyn, Inc., developer of the Symphion™ System, broadening our portfolio of minimally invasive approaches for surgeons to treat debilitating gynecologic conditions that affect millions of women worldwide.
- The WATCHMAN™ Left Atrial Appendage Closure Device has received U.S. Food and Drug Administration (FDA) approval. The WATCHMAN Device offers a new stroke risk reduction option for high risk patients with non-valvular atrial fibrillation who have an appropriate rationale to seek a nonpharmacologic alternative to warfarin, taking into account the safety and effectiveness of the device compared to warfarin. The device is registered in more than 75 countries.

<sup>5</sup> Operational sales/revenue and growth rates are non-GAAP measures that exclude the impact of changes in foreign currency exchange rates; adjusted operating margin is a non-GAAP measure; see reconciliation to GAAP sales/revenue growth rates and operating margin on page 8. • 6 Caution: Investigational Device. Limited by U.S. law to investigational use only. Not available for sale. • 7 CE Marked device. Not available for use or sale in the U.S.

TRANSFORMING LIVES

## Meaningful Innovation Leads to a Transformed Life

Lisa never suspected that she would compete in her last marathon at the early age of 39. An avid athlete and outdoors person, she planned to run marathons on seven continents. Arrhythmogenic Right Ventricular Dysplasia (ARVD) stopped her after just four. The degenerative heart condition and leading cause of death in young athletes puts Lisa at increased risk for sudden cardiac arrest. But Lisa is more fortunate than many ARVD sufferers, whose first symptoms were also their last; as Lisa's health worsened, she researched her treatment options, traveled across the country and advocated to receive Boston Scientific's S-ICD™ subcutaneous implantable cardioverter defibrillator. The therapy that the device provides has already protected her from three life-threatening arrhythmias. Though Lisa's irreparable heart condition may keep her from running another marathon, she's meeting life's other challenges in full stride, as a lawyer, traveler, wife, sister and friend. She is also an impassioned S-ICD device advocate, supporting other patients at risk of sudden cardiac arrest.





4 MEANINGFUL INNOVATION

We're dedicated to transforming the lives of patients treated and living with Boston Scientific devices, applying our ever-expanding knowledge of medicine and technology to many of today's challenging health conditions.



The WATCHMAN™ Left Atrial
Appendage Closure Device is
designed to prevent blood clots
from migrating from the left atrial
appendage in indicated patients
with non-valvular atrial fibrillation,
reducing the risk of thromboembolic
stroke and systemic embolism.

The SPYGLASS® DS Direct
Visualization System, with
4-way deflection and fiber
optic lighting and digital
imaging technology, enables
single-operator, direct
visualization cholangioscopy
and pancreatoscopy for
biopsy and detecting and
treating large pancreaticobiliary stones and strictures.



■ We continue to advance our LOTUS™ Valve System<sup>6</sup> and the clinical evidence of this unique second-generation transcatheter aortic valve replacement (TAVR) technology. The LOTUS™ Valve System, currently approved for use in CE Mark countries, is designed to treat high-risk patients with severe aortic stenosis. The REPRISE III clinical trial was initiated for U.S. approval, which is anticipated in 2017.

## Drive global expansion

We DROVE global expansion in emerging markets, training clinicians and globalizing research and development.

- We increased our market presence and today have commercial representation in more than 110 countries. Emerging market operational sales grew 18 percent in 2014, and we continue to strengthen our capabilities in these important markets.¹ Emerging market operational sales now represent approximately 10 percent of the company's total annual sales.¹
- We invested in our world-class professional education and training capabilities and recently unified the programs of our seven businesses

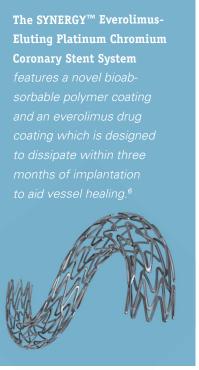
- under the brand name EDUCARE. Our Institute for Advancing Science in Shanghai, China, introduced a curriculum focused on endoscopic techniques for diagnosing and treating bile and pancreatic disorders. And a similar gastrointestinal endoscopy program was established for clinicians in Russia.
- Research and development globalization took another step forward, with the opening of our R&D center in Gurgaon, India. This new center develops market-appropriate products for India as well as products for countries worldwide.

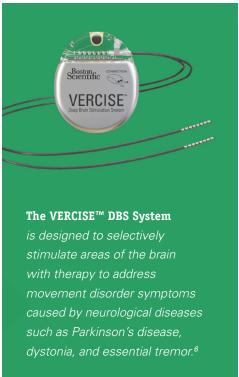
## Fund the journey to fuel growth

We FUNDED the journey to fuel growth, maintaining high-quality operations while expanding our adjusted operating margins from 18.9 percent in 2013 to 20.2 percent in 2014.8

 We continue to execute programs that reduce standard cost through various lean process initiatives and other manufacturing improvements.
 We also established several manufacturing Centers of Excellence that span our seven businesses to leverage core competencies in technologies such as balloons, stents and guidewires.

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■ Companywide value improvement projects further streamlined operations and lowered expenses to help fund R&D and our business expansion efforts. Enhancements to our product development processes resulted in launches of new products, including the Promus PREMIER™ and SYNERGY™6 drug-eluting coronary stent systems and the AUTOGEN™ ICD6 with higher gross margins than their predecessors.

## Develop our people and key capabilities

We DEVELOPED key capabilities, and we continue to make employee development a priority.

- We strengthened our competencies for delivering differentiated value to customers by working more closely with hospital administrators through our expanding corporate account sales team. We are partnering with customers to improve their operations by leveraging our expertise in lean manufacturing and supply chain management.
- Our reinvigorated culture supports all employees in our journey toward meaningful innovation.
   In 2014, we introduced a new program called ImaginelF to inspire all our teams to think creatively regardless of their organizational roles.
   ImaginelF takes a venture-style approach in

bringing breakthrough ideas to life, ranging from product concepts to innovative commercial models and operational refinements that improve efficiency. The first round of ImagineIF project proposals generated more than 350 ideas across the company, and we provided funding to the most promising initiatives.

## Responsible, Involved Citizens

Reflecting on our accomplishments in 2014, it is clear that our core values – Caring, Diversity, Meaningful Innovation, Global Collaboration, High Performance and Winning Spirit – contributed to our success. One core value above all, Caring, exemplifies the commitment of our employees to communities worldwide. By supporting organizations such as the American Heart Association, Project Hope and foundations that serve patients and families affected by pancreatic and colon cancers, along with our health equity program, Close the Gap, and our targeted STEM (science, technology, engineering and math) education programs benefiting local schools, we help transform lives in ways beyond the impact that our products have on society.

We are also keenly aware of our responsibility to the environment and are actively contributing to global sustainability. All 14 of our major operations facilities, as well as our global headquarters located in Marlborough, Massachusetts, are certified to the ISO 14001:2004 Environmental Management System standard, and we received our 11th consecutive certification to the FTSE4Good Sustainability Index. We continuously endeavor to reduce waste generation, improve our recycling index and reduce greenhouse gas emissions. In 2014, 94 percent of our solid waste avoided landfill disposal, with 78 percent recycled and 16 percent used to produce power. And, in the last five years, we have reduced our global greenhouse gas emissions by 25 percent, using increasing amounts of renewable energy and implementing a wide range of energy efficiency projects; in 2014, 14 percent of all energy came from renewable sources.

## Looking Forward

We believe the momentum we generated in 2014 will continue because our strategy is working. We place patients first, have strong global businesses and a differentiated pipeline of meaningful innovation. We expect to continue to deliver strong shareholder value by growing revenue faster than the market, improving our operating margins and achieving double-digit adjusted EPS growth.

We are excited about 2015 and optimistic about strengthening Boston Scientific's global market position. We have recently taken an important step toward leadership in the urology device category, entering into an agreement to acquire the Men's Health and Prostate Health businesses of American Medical Systems. The strategic acquisition, which is expected to be completed in the second half of 2015 subject to customary closing conditions, will add technologies for treating benign prostatic hyperplasia (BPH), male stress urinary incontinence and erectile dysfunction, complementing the robust kidney stone, pelvic organ prolapse, female stress urinary incontinence and abnormal uterine bleeding treatment portfolios of our present Urology and Women's Health business.

We are proud to have a Board of Directors comprised of leading experts who have supported

our strategic direction. In 2014, we welcomed two talented leaders to our Board: Mr. David Roux is a co-founder and senior director of Silver Lake, a private equity firm focused on technology investing, and the former chairman and CEO of Liberate Technologies; and Mr. Edward Ludwig was formerly the CEO, president and chairman of Becton, Dickinson and Company. And we will welcome two new members on April 1, 2015: Mr. Charles Dockendorff was formerly the executive vice president and CFO of Covidien plc.; and Mr. Stephen MacMillan is currently the president and CEO of Hologic, a leading global healthcare and diagnostics company, and the former president and CEO of Stryker Corporation. We look forward to many years of counsel and support from David, Edward, Charles and Stephen. We also extend our sincere thanks to two esteemed directors who plan to step down from our Board in 2015. We are grateful for the guidance and dedicated service of Dr. Uwe Reinhardt, director since 2002, and Mr. Bruce Byrnes, who joined the Board in 2009. We thank you, our stockholders, for supporting Boston Scientific and our mission. We also thank our employees for their tremendous commitment, enthusiasm and winning spirit. Together, let's continue transforming healthcare and advancing science for life.

Sincerely.

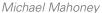
MICHAEL MAHONEY,

President and Chief Executive Officer

Michael Welran

PETE NICHOLAS, Chairman of the Board March 16, 2015







Pete Nicholas

8 SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

## Safe Harbor for Forward-Looking Statements

This Annual 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, 2014 for matters to be considered in this regard.

## Non-GAAP Reconciliations

**NET SALES** (dollars in millions)

	Year ended December 31,		As	Less:	
	2014	2013 (restated)*	Reported Currency Basis	Impact of Foreign Currency	Constant Currency Basis
Interventional Cardiology	\$ 2,057	\$ 1,997	3%	-2%	5%
Peripheral Interventions	850	809	5%	-2%	7%
CARDIOVASCULAR	2,907	2,806	4%	-1%	5%
Cardiac Rhythm Management	1,912	1,886	1%	-1%	2%
Electrophysiology	227	155	47%	-1%	48%
RHYTHM MANAGEMENT	2,139	2,041	5%	-1%	6%
Endoscopy	1,323	1,280	3%	-2%	5%
Urology and Women's Health	535	505	6%	-1%	7%
Neuromodulation	472	453	4%	-1%	5%
MEDSURG	2,330	2,238	4%	-1%	5%
Subtotal Core Businesses	7,376	7,085	4%	-2%	6%
Divested Businesses	4	58	-91%	0%	-91%
	\$ 7,380	\$ 7,143	3%	-2%	5%
Emerging Markets, Percentage of Total Company Sales 2014 Emerging Markets, Sales Growth 2014 Urology and Women's Health International Sales Growth 2014			10% 12% 16%	0% -6% -5%	10% 18% 21%
Operating Income (Loss)			%	%	
Cardiovascular	\$ 767	\$ 665	26.0%	23.8%	
Rhythm Management	289	211	13.4%	10.4%	
MedSurg	746	679	31.6%	30.4%	
Operating income allocated to reportable					
segments	1,802	1,555			
Corporate expenses and currency exchange	(308)	(203)			
Adjusted operating income Goodwill and intangible asset impairment charges, acquisition-, divestiture-, litigation-, and restructuring-related charges and	1,494	1,352	20.2%	18.9%	
amortization expense	(1,795)	(1,232)	-24.3%	-17.2%	
Operating income (loss)	\$ (301)	\$ 120	-4.1%	1.7%	
Net sales allocated to reportable segments	\$ 7,462	\$ 7,072			
Sales generated from business divestitures	4	58			
Impact of foreign currency fluctuations	(86)	13			
Sales, as Reported	\$ 7.380	\$ 7.143			

#### **Board of Directors**

## Bruce L. Byrnes 2,3

Director; Retired Vice Chairman of the Board, The Procter and Gamble Company

## Nelda J. Connors 4,5

Director; Founder, Chairwoman and Chief Executive Officer, Pine Grove Holdings, LLC

## Kristina M. Johnson, Ph.D. 2,4

Director; Chief Executive Officer, Enduring Hydro, LLC

## Edward J. Ludwig 1,2

Director; Former Chief Executive Officer, President and Chairman, Becton, Dickinson and Company

## Michael F. Mahoney

Director; President and Chief Executive Officer

#### Ernest Mario, Ph.D. 1,2

Director; Chairman, Capnia, Inc.

## N.J. Nicholas, Jr. 3,4

Director; Private Investor

#### Pete M. Nicholas

Director; Chairman of the Board; Co-Founder

#### Uwe E. Reinhardt, Ph.D. 1,5

Director; Professor of Economics and Public Affairs, Princeton University

#### David J. Roux <sup>3,4</sup>

Director; Co-Founder and Senior Director, Silver Lake

#### John E. Sununu 3,5

Director; Former U.S. Senator

### **Director Emeritus**

#### John E. Abele

Director Emeritus; Co-Founder

Information is accurate as of March 1, 2015.

- 1 Member of the Audit Committee
- 2 Member of the Executive Compensation and Human Resources Committee
- 3 Member of the Nominating and Governance Committee
- 4 Member of the Finance Committee
- 5 Member of the Compliance and Quality Committee

#### **Executive Officers**

#### Kevin J. Ballinger

Senior Vice President and President, Interventional Cardiology

#### **Supratim Bose**

Executive Vice President and President, Asia-Pacific, Middle East and Africa (AMEA)

#### Daniel J. Brennan

Executive Vice President and Chief Financial Officer

#### **Wendy Carruthers**

Senior Vice President, Human Resources

#### Keith D. Dawkins, M.D.

Executive Vice President and Global Chief Medical Officer

## Joseph M. Fitzgerald

Executive Vice President and President, Rhythm Management

#### **Edward F. Mackey**

Executive Vice President, Operations

#### Michael F. Mahoney

President and Chief Executive Officer

#### **Jeffrey B. Mirviss**

Senior Vice President and President, Peripheral Interventions

#### **Maulik Nanavaty**

Senior Vice President and President, Neuromodulation

#### Michael P. Phalen

Executive Vice President and President, MedSurg

#### David A. Pierce

Senior Vice President and President, Endoscopy

## Karen Prange

Senior Vice President and President, Urology and Women's Health

#### Timothy A. Pratt

Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

#### John B. Sorenson

Senior Vice President, Operations and Quality

#### Eric Thépaut

Senior Vice President and President, Europe

#### Stockholder Information

#### **Stock Listing**

Boston Scientific Corporation common stock is traded on the NYSE under the symbol "BSX."

#### **Transfer Agent**

Inquiries concerning the transfer or exchange of shares, lost stock certificates, duplicate mailings, or changes of address should be directed to the Company's Transfer Agent at:

Computershare Inc. P.O. Box 30170 College Station, TX 77842-3170

Shareholder website: www. computershare.com/investor

Shareholder online inquiries: https://www-us.computershare.com/investor/contact

## Independent Registered Public Accounting Firm

Ernst & Young LLP Boston, Massachusetts

#### **Annual Meeting**

The 2015 annual meeting of stockholders will take place on Tuesday, May 5, 2015, beginning at 11:00 a.m. Eastern Time at Boston Scientific's Corporate Headquarters located at 300 Boston Scientific Way, Marlborough, MA 01752-1234.

#### **Other Information**

Copies of the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports are available free of charge on our website at www.bostonscientific.com. Our Corporate Governance Guidelines and our Code of Conduct — which applies to all our directors, officers and employees, including our Chief Executive Officer and Chief Financial Officer — are also available on our website.

Certifications of the Chief Executive Officer and Chief Financial Officer certifying the accuracy of the Company's public disclosures have been filed with the Securities and Exchange Commission as exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2014. Copies of these reports are also available by directing requests to: Investor Relations
Boston Scientific Corporation
300 Boston Scientific Way
Marlborough, MA 01752-1234
508-683-4000
508-647-2200 (Facsimile)
Investor\_Relations@bsci.com

## Investor Information Requests

Investors, stockholders and security analysts seeking information about Boston Scientific should refer to our website at www.bostonscientific.com or contact Investor Relations at 508-683-4000, or by email at Investor\_Relations@bsci.com.

#### **Corporate Headquarters**

Boston Scientific Corporation 300 Boston Scientific Way Marlborough, MA 01752-1234 508-683-4000

Investor Relations Facsimile: 508-647-2200

www.bostonscientific.com

lcon denotes additional information online at bostonscientific.com/2014ar

Information on or connected to our website (or the website of any third party) referenced in this Annual Report is in addition to and not a part of or incorporated by reference into this Annual Report. Such additional information speaks as of the date thereof and is not intended to be confirmed or updated by reference to it herein. Boston Scientific disclaims any liability or responsibility for or endorsement of the information on or connected to the website of a third party.

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

Our Brand Declaration: "Advancing science for life" reflects what we do for patients, physicians and healthcare systems globally.







## **Advancing:**

We push the boundaries of today's innovations that lead to tomorrow's medical solutions.

## science:

Our heritage of discovery drives our passion for transforming lives.

## for life:

We are committed to helping patients live healthier, longer lives.

Scientific Scientific

Advancing science for life"

Boston Scientific Corporation 300 Boston Scientific Way Marlborough, MA 01752-1234 www.bostonscientific.com