

Medtronic Increases Cash Dividend by 25 Percent

June 19, 2015 8:11 AM CT



Dividend Payout Ratio Now Approximately 35%; Targeting 40% Dividend Payout Ratio Within Next Few Years

DUBLIN - June 19, 2015 - The board of directors of Medtronic plc (NYSE:MDT) today approved a 25 percent increase in its cash dividend for fiscal year 2016, raising the quarterly amount to \$0.38 per ordinary share for an annual amount of \$1.52 per ordinary share. Today's announcement marks the 38th consecutive year of an increase in the dividend payment for Medtronic, a constituent of the S&P 500 Dividend Aristocrats index. Including today's increase, Medtronic's dividend per share has more than tripled over the past 8 years and has grown at an 18 percent compounded annual growth rate over the past 38 years.

Today's increase brings Medtronic's dividend per share payout ratio to approximately 35 percent of current fiscal year 2016 estimated adjusted diluted earnings per share. In addition to expecting to increase its dividend over time based on underlying earnings growth, Medtronic is targeting a dividend per share payout ratio of 40 percent within the next few years.

"This substantial increase in our dividend and expectation to increase our dividend payout ratio within the next few years reflects our increased financial flexibility to deploy our cash and the confidence the board and our management team have in our business, as well as solidifies our ongoing commitment to our shareholders," said Omar Ishrak, Medtronic chairman and chief executive officer. "We remain focused on disciplined capital allocation and creating long-term shareholder value. We are committed to returning 50 percent of our free cash flow to our shareholders, with an emphasis on delivering dependable, long-term dividend growth."

In addition to increasing the dividend, the board today approved the authorization of an additional 80 million ordinary shares, which represents approximately 6 percent of the company's total basic shares outstanding, to be purchased under Medtronic's Share Repurchase Plan. There is no specific time period associated with the plan. Over the past 5 years, Medtronic has repurchased \$8.3 billion of its outstanding shares, or 176 million shares, which contributed approximately 10 percent to the reduction in the company's outstanding shares prior to the acquisition of Covidien last quarter.

Medtronic remains committed to returning 50 percent of its free cash flow to its shareholders through dividends and share repurchases. The company also continues to target an A credit profile. The dividend is payable on July 17, 2015, to shareholders of record at the close of business on June 29, 2015. While a portion of the dividend may be treated for U.S. tax purposes as a return of capital, the company expects that, over time, its dividend will be treated completely as a return of earnings. Additional information about the tax treatment of the dividend is available by clicking on the Investors link through the Medtronic website at www.medtronic.com.

About Medtronic

Medtronic plc (www.medtronic.com), headquartered in Dublin, Ireland, is the global leader in medical technology - alleviating pain, restoring health and extending life for millions of people around the world.

Any forward-looking statements are subject to risks and uncertainties such as those described in Medtronic's periodic reports on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results.

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