

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934

Date of Report - February 18, 1997

MEDTRONIC, INC.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other Jurisdiction
of incorporation)

1-7707
(Commission File
Number)

41-0793183
(IRS Employer
Identification No.)

7000 Central Avenue N.E.
Minneapolis, Minnesota 55432-3576
(Address of principal executive offices and zip code)

(612) 574-4000
(Registrant's telephone number, including area code)

ITEM 5. Other Events

On February 18, 1997, the registrant issued a press release announcing financial results for its fiscal third quarter ended January 31, 1997. The full text of the press release is set forth in Exhibit 99 attached hereto and is incorporated in this report as if fully set forth herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEDTRONIC, INC.
(Registrant)

Date: February 19, 1997

By: /s/ Robert L. Ryan
Robert L. Ryan, Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

Description

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Press release dated February 18, 1997

[Medtronic Logo]

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F O R I M M E D I A T E R E L E A S E

MEDTRONIC REPORTS QUARTERLY EARNINGS UP 20.8 PCT.
AS DEFIBRILLATORS LEAD SALES GAINS

MINNEAPOLIS, MN, February 18, 1997 -- Medtronic, Inc. (NYSE: MDT), today reported third-quarter net earnings of \$128.7 million, or \$0.54 a share, an increase of 20.8 percent over earnings in the comparable period a year ago.

Revenues were \$598.7 million, compared with \$530.1 million, up 15.0 percent on a constant-currency basis or 13.0 percent after recognizing negative effects of the strengthening dollar in translation of foreign currency-based revenues.

For nine months of fiscal 1997, net earnings increased 25.4 percent as revenues rose 16.7 percent excluding the negative effects of foreign exchange translation. Earnings were \$384.5 million, or \$1.60 a share, on revenues of \$1.8 billion compared with \$306.7 million and \$1.29 a share on revenues of \$1.6 billion for nine months of fiscal 1996.

Chairman and Chief Executive Officer William W. George said, "Medtronic recorded its 11th consecutive quarter of earnings growth of more than 20 percent year over year. This growth comes on top of the 49 percent increase in net earnings recorded in the third quarter last year, thanks to strong contributions from the Tachyarrhythmia and Neurological businesses this year."

Medtronic's Pacing businesses reported double-digit quarterly sales increases as revenue from the Tachyarrhythmia Management Business increased to more than \$100 million. Medtronic's Micro Jewel(TM) II implantable defibrillator, introduced worldwide in late November, drove unit sales to a 26 percent increase as it became the world's most frequently implanted defibrillator. Thera(R) i-Series(TM) pacemakers highlighted unit sales increases of more than 8 percent in the Bradycardia Pacing Business while the newer Medtronic.Kappa(TM) 400 pacemaker systems were introduced in Europe at the end of the quarter.

Sales of Neurological and diversified businesses increased by 58 percent. Especially strong contributions came from the Medtronic SynchroMed(R) Drug Infusion System used for intrathecal baclofen therapy in treatment of spasticity related to both spinal and cerebral conditions. Medtronic PS Medical and Medtronic Synectics also scored excellent sales increases. A new, cost-effective therapy for cancer pain, the Medtronic AlgoMed(TM) implantable drug infusion system, was launched in European markets during the quarter.

Coronary stents led sales increases for Medtronic Vascular businesses with the Medtronic Wiktor(R) product performing well in Japanese markets and both the Wiktor(R)-i and Medtronic beStent(TM) devices gaining sales momentum in Europe.

Cardiac Surgery businesses were highlighted by double-digit sales growth in heart valves and surgical cannulae. A new Medtronic blood oxygenator, the Maxima Forte(TM), joined the cardiopulmonary product line and began moving into the world's surgical suites in January.

Medtronic, Inc., headquartered in Minneapolis, is the world's leading medical technology company specializing in implantable and invasive therapies. Its Internet address is <http://www.medtronic.com>.

-tabulation follows-

MEDTRONIC, INC.
CONSOLIDATED STATEMENT OF EARNINGS
(Unaudited)

	Three months ended		Nine months ended	
	Jan. 31 1997	Jan. 26 1996	Jan. 31 1997	Jan. 26 1996
(in thousands, except per share data)				
Net sales	\$ 598,749	\$ 530,070	\$ 1,797,771	\$ 1,574,993
Costs and expenses:				
Cost of products sold	152,314	143,640	458,955	440,710
Research and development expense	69,531	63,318	203,459	173,038
Selling, general, and administrative expense	188,517	164,248	569,191	505,686
Interest expense	1,536	1,842	6,148	5,850
Interest income	(9,650)	(7,031)	(26,971)	(21,606)
Total costs and expenses	402,248	366,017	1,210,782	1,103,678
Earnings before income taxes	196,501	164,053	586,989	471,315
Provision for income taxes	67,793	57,491	202,511	164,624
Net earnings	\$ 128,708	\$ 106,562	\$ 384,478	\$ 306,691
Weighted average shares outstanding	239,957	238,469	239,703	236,903
Earnings per share	\$ 0.54	\$ 0.45	\$ 1.60	\$ 1.29

The FY96 amounts have been restated to reflect the May and June 1996 acquisitions of AneuRx, Inc. and InStent Inc. which were accounted for as poolings of interests.