

INVESTOR DAY

JUNE 6, 2016

NEW YORK CITY

Medtronic
Further, Together

FORWARD LOOKING STATEMENT

This presentation contains forward-looking statements which provide current expectations or forecasts, including those relating to market and sales growth, growth strategies, financial results, use of free cash flow, product development and introduction, partnerships, regulatory matters, restructuring initiatives, mergers/acquisitions/divestitures and related effects, accounting estimates, financing activities, working capital adequacy, competitive strengths and sales efforts. They are based on current assumptions and expectations that involve uncertainties or risks. These uncertainties and risks include, but are not limited to, those described in our periodic reports on file with the U.S. Securities and Exchange Commission (SEC). Actual results may differ materially from anticipated results. Forward-looking statements are made as of today's date, and we undertake no duty to update them or any of the information contained in this presentation.

Financial Data

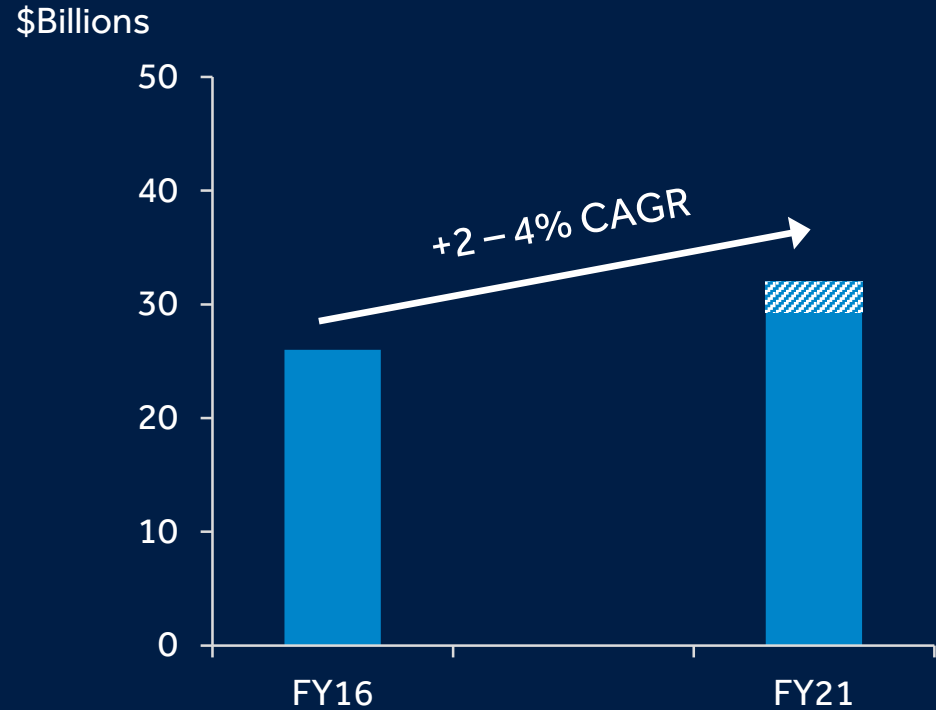
Certain information in this presentation includes calculations or figures that have been prepared internally and have not been reviewed or audited by our independent registered public accounting firm. Use of different methods for preparing, calculating or presenting information may lead to differences and such differences may be material. This presentation also contains non-GAAP financial measures such as free cash flow and historical revenue on a comparable constant currency basis, which sums historical data of Medtronic and Covidien, aligns Covidien's prior year monthly revenue to Medtronic's fiscal quarters and adjusts for the impact of foreign currency translation. We believe these measures provide a useful way to evaluate our underlying performance. Detail concerning how all non-GAAP measures are calculated, including all non-GAAP to GAAP reconciliations, are posted to our website.

THERAPY INNOVATION REVENUE AND GROWTH



200-350_{BPS}

New Therapies
Growth Contribution



THERAPY INNOVATION Q&A

PANELISTS

Omar Ishrak

Chairman & CEO

Mike Coyle

EVP and President, CVG

Hooman Hakami

EVP and President, Diabetes

Bryan Hanson

EVP and President, MITG

Geoff Martha

EVP and President, RTG

GLOBALIZATION AND ECONOMIC VALUE

PANEL DISCUSSION

Moderated by

Omar Ishrak
Chairman & CEO

PANELISTS

Mike Coyle
EVP and President, CVG

Hooman Hakami
EVP and President, Diabetes

Bryan Hanson
EVP and President, MITG

Geoff Martha
EVP and President, RTG

Mike Genau
SVP and President, Americas

Rob ten Hoedt
EVP and President, Europe, MEA

Chris Lee
SVP and President, Greater China

Bob White
SVP and President, Asia Pacific

GLOBALIZATION

TAILORED SOLUTIONS TO
ADDRESS MARKET NEEDS &
EXPAND ACCESS



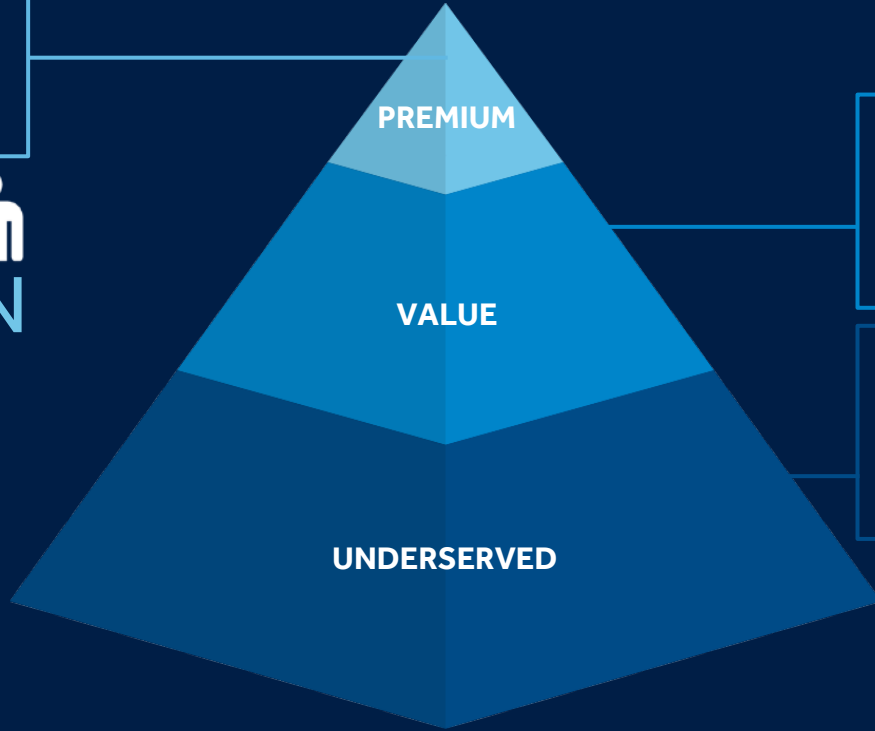
EMERGING MARKETS

A CLOSER LOOK AT THE ECONOMIC PYRAMID

Population who can afford developed market standard of care



1.3+ BILLION PEOPLE

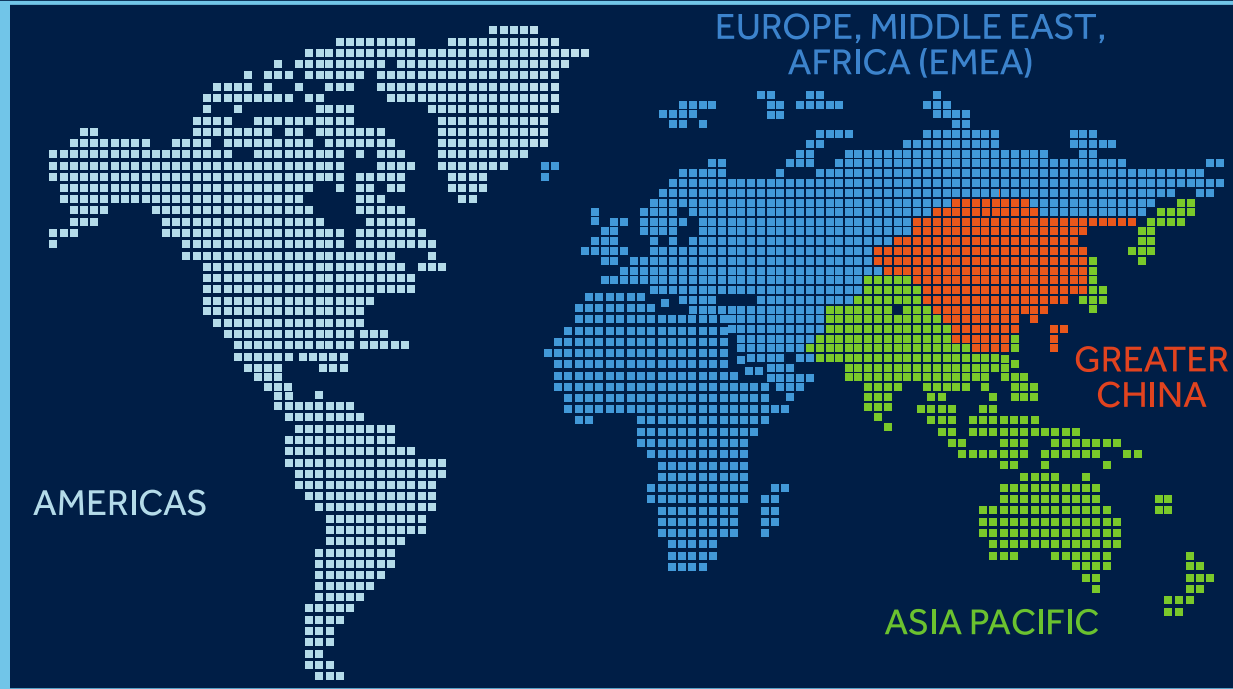
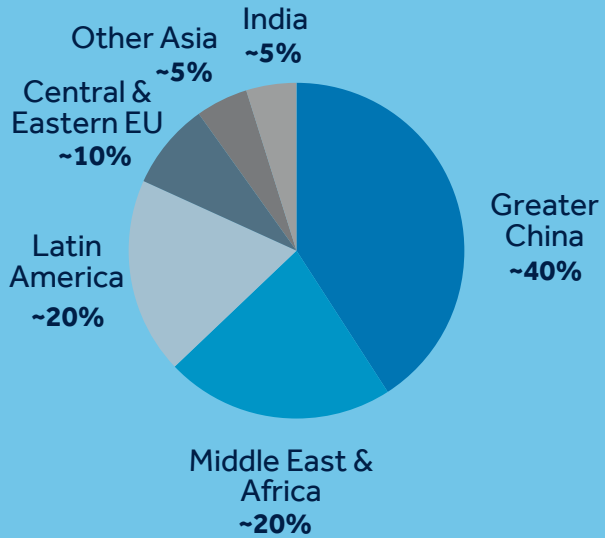


Population who will be able to afford standard of care through wealth expansion and/or reduced healthcare delivery costs

Segments of population where new and disruptive models of care are needed

DIVERSIFIED EMERGING MARKET GROWTH

FY16 EM REVENUE



TAKING ADVANTAGE OF FOCUS AND BREADTH IN GLOBALIZATION

Focus

- 1 Local Market Understanding Better than Any Local Company**
Local presence in all markets
- 2 Customization for Local Physicians and Patients**
Local R&D and manufacturing



Breadth

- 1 Major Public and Private Partnerships**
Seat at the table with large customers
- 2 Capital Infusion for Infrastructure**
Utilize strong balance sheet
- 3 Global Capability & Scale**
Ability to transfer expertise around the world

MARKETPLACE LEADERSHIP

OUR STRATEGY FOR EMERGING MARKETS

MARKET DEVELOPMENT

- Education & Training
- Distribution Reach
- Local Product Development



1

Channel Optimization

2

Public Partnerships

3

Private Partnerships

MITG EMERGING MARKETS

VITAL STATS



**50% OF MITG
EMPLOYEES**
IN EMERGING
MARKETS

**5 R&D
CENTERS**

**17 PRODUCT
LAUNCHES**
IN 3 YEARS



4 TRAINING CENTERS



**>1/3 OVERALL
REVENUE GROWTH**

**EMERGING MARKETS
CONTRIBUTES ~18%
OF OVERALL
REVENUE BY FY20**
INCREASE FROM ~13%
TODAY

KANGHUI: VALUE ORTHOPEDICS AND BEYOND

GLOBAL SCALE, LOCALIZING RAPIDLY

- Penetrate premium markets through physician education, and local reimbursement and tendering strategies
- More direct channel management will capture additional revenue and margin, and improve physician and hospital relationships



KEY PRODUCTS

TRAUMA



Fixation systems

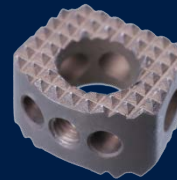


Locking Plate

SPINE



Pedicle screws



Cervical cages

JOINTS



Milestone Knee



Helicon Hip

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Channel Optimization

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Public Partnerships

3

Private Partnerships

CHANNEL OPTIMIZATION MODELS

BENEFITS

- Allows Medtronic to better serve customer needs through more direct relationships
- Accelerates growth and captures margin: shared benefit for both the end customer and Medtronic
- Strengthens systematic integrity and compliance

OPPORTUNITY

- Today, nearly \$3B of MDT sales through over 7,000 distributors
- Optimizing distributor relationships will result in an estimated **\$1.75B over the next 5 years**

APPROACHES

1. DISTRIBUTOR TRANSITIONS

TURKEY



FY14: Formed Biostar JV with largest distributor; expanding to additional business units

SAUDI ARABIA



FY16: Formed JV with largest distributor (Gulf Medical) for select business units

2. PARTNERSHIP MODEL CHANGE

CHINA & INDIA



- Consolidate and shift roles and responsibilities
- Adjust distributor margins correspondingly
- Distributors focus more on logistics and last-mile services

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PUBLIC PARTNERSHIPS



STENTEX



RUSSIA SOLE SOURCE SUPPLIER

- Cardiovascular disease is the leading cause of death in Russia
- Russian government committed to increasing Acute Coronary Syndrome (ACS) spend by ~4x
- Sole supplier arrangement for coronary stents and balloons in Russia for 2017-2022 for ACS PCI
- Localized manufacturing
- Estimated 800K-1M ACS patients 2017-2021
- MDT majority partner in JV with private company

>\$700M MDT Revenue through FY21



CHENGDU

- Long-term government partnership with municipal government
- MDT to locally manufacture dialysis system and next generation sensor augmented insulin pumps
- Local R&D
- Commercial commitment and joint market access development



OUR STRATEGY FOR EMERGING MARKETS

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1

Channel Optimization

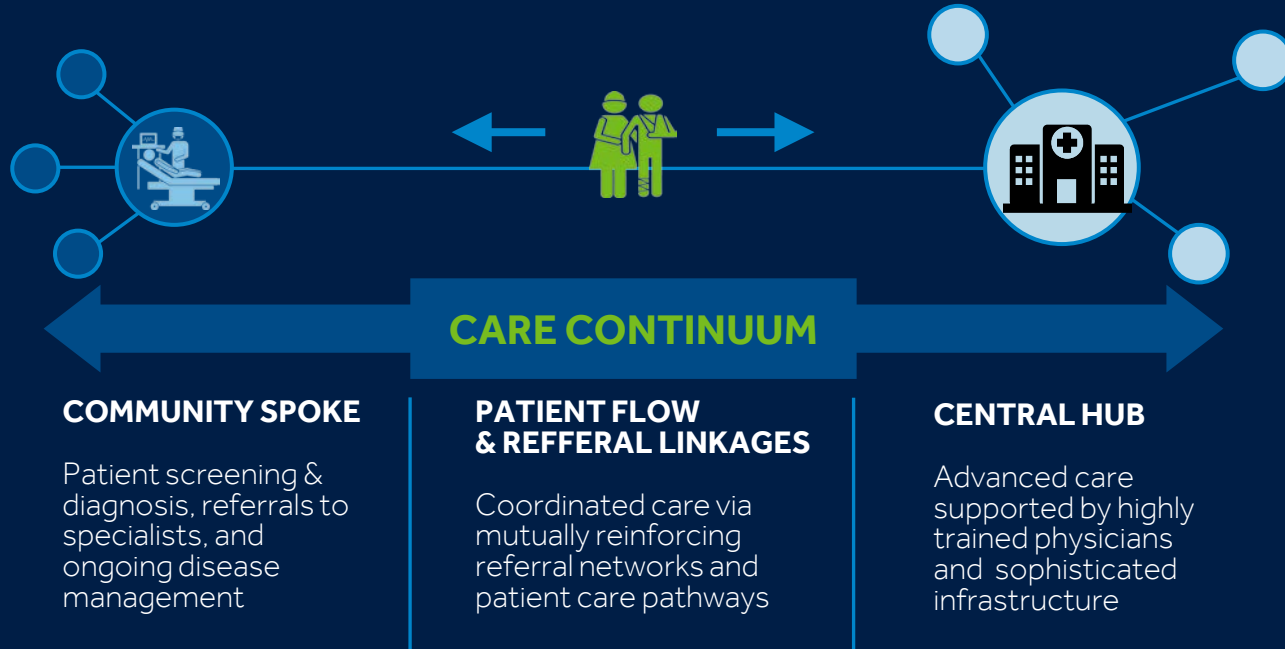
2

Public Partnerships

3

Private Partnerships

HUB AND SPOKE ECOSYSTEM MODEL

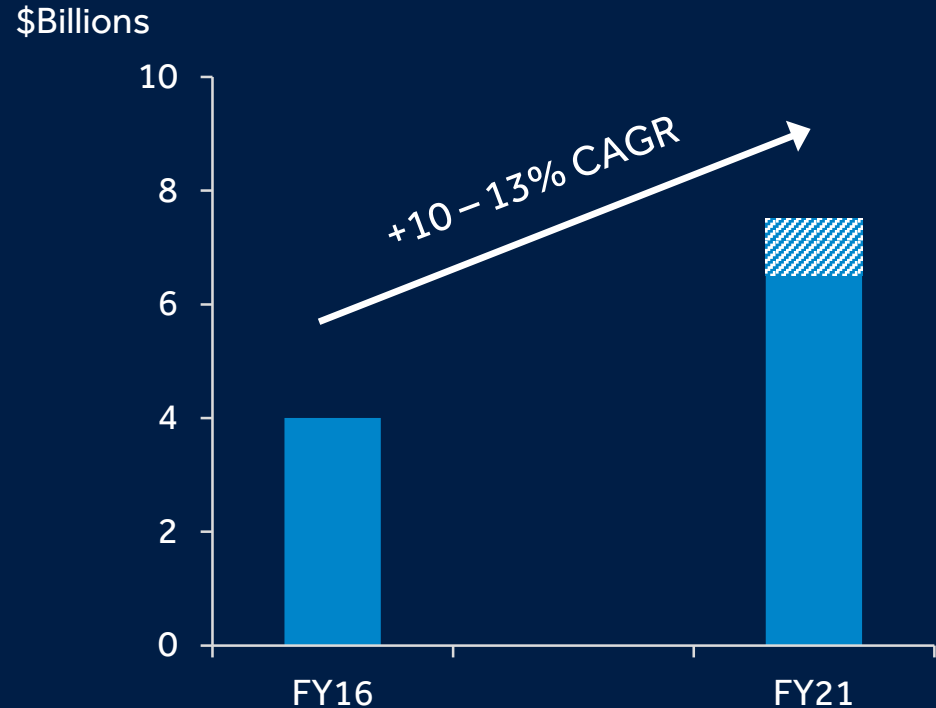


GLOBALIZATION REVENUE AND GROWTH



150-200_{BPS}

**Emerging Market
Growth Contribution**



GLOBALIZATION AND ECONOMIC VALUE Q&A

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