FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(MARK ONE)

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934. FOR THE FISCAL YEAR ENDED APRIL 30, 1995

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934. FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NO. 1-7707
[LOGO]
MEDTRONIC, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

MINNESOTA	41-0793183
(STATE OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

7000 CENTRAL AVENUE N.E.
MINNEAPOLIS, MINNESOTA 55432
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)
TELEPHONE NUMBER: (612) 574-4000

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, PAR VALUE $.10 PER SHARE	NEW YORK STOCK EXCHANGE, INC.
PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE, INC.

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
NONE

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES _X_ NO ___

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF THE REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. ( )

AGGREGATE MARKET VALUE OF VOTING STOCK OF MEDTRONIC, INC. HELD BY NONAFFILIATES OF THE REGISTRANT AS OF JULY 7, 1995, BASED ON THE CLOSING PRICE OF $77.00 AS REPORTED ON THE NEW YORK STOCK EXCHANGE: $8.76 BILLION.

SHARES OF COMMON STOCK OUTSTANDING ON JULY 7, 1995: 115,513,007

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF REGISTRANT'S 1995 ANNUAL SHAREHOLDER REPORT ARE INCORPORATED BY REFERENCE INTO PARTS I, II AND IV; PORTIONS OF REGISTRANT'S PROXY STATEMENT FOR ITS 1995 ANNUAL MEETING ARE INCORPORATED BY REFERENCE INTO PART III.

PART I

ITEM 1. BUSINESS

GENERAL DEVELOPMENT OF BUSINESS. Medtronic, Inc. (together with its subsidiaries, "Medtronic" or the "company") was incorporated as a Minnesota corporation in 1957. Medtronic is the world's leading therapeutic medical technology company, developing, manufacturing and marketing therapies for improved cardiovascular and neurological health. Primary products include implantable pacemaker systems used for treatment of bradycardia, implantable

tachyarrhythmia management systems, mechanical and tissue heart valves, balloon and guiding catheters and stents used in angioplasty, implantable neurostimulation and drug delivery systems, and perfusion systems including blood oxygenators, centrifugal blood pumps, cannula products, and autotransfusion and blood monitoring systems.

Medtronic operates in a single industry segment, that of providing products for medical applications. Its revenues, operating profits and assets for the past three fiscal years (1993-1995) have been attributable to this single industry segment. The Company does business in more than 120 countries and reports on three business units -- Pacing, Other Cardiovascular, and Neurological and Other -- and three geographic areas -- the Americas, Europe/Middle East/Africa, and Asia/Pacific.

BUSINESS NARRATIVE. Medtronic's Pacing business unit is the company's largest operating unit, consisting of Bradycardia Pacing, which produces products for treating patients with slow or irregular heartbeats, and Tachyarrhythmia Management, which develops products for hearts with abnormally fast rhythms. The bradycardia pacing systems include pacemakers, leads and accessories. The pacemakers can be noninvasively programmed by the physician to adjust sensing, electrical pulse intensity, rate, duration and other characteristics, and can produce impulses to cause contractions in either the upper or lower heart chamber, or both, in appropriate relation to heart activity. In January 1995, the company commercially released the Thera(R) line of pacemakers in the U.S. Thera(R) is a flexible, technically advanced family of five new pacemakers for virtually every pacing application, a new specialized lead and the new Model 9790 programmer. This versatile programmer can be used interchangeably with all of the company's bradycardia pacemakers as well as with its Jewel(R) line of tachyarrhythmia management devices.

More than half of Medtronic's revenues are generated from the sale of implantable cardiac pacemaker systems for treatment of bradycardia. In addition to the "Medtronic" line of pacing products, the company also produces a separate line under the brand name "Vitatron."

The Tachyarrhythmia Management business produces implantable devices and transvenous lead systems for treating ventricular tachyarrhythmias, which are abnormally fast, and sometimes fatal, heartbeats. The systems offer tiered therapy of pacing, cardioversion and defibrillation, and may be implanted without a thoracotomy, which reduces patient trauma, and hospitalization time and costs. The company's Jewel(R) line of devices, which were released in the U.S. in March 1995, are the smallest currently commercially available and are programmed with the Model 9790 pacing programmer. In fiscal 1995 the company also commercially released the Jewel(R) Active Can(tm) outside the United States. This system makes implantation possible with a single lead, resulting in faster, less costly implantation and quicker patient recovery. The Active Can(tm) device continues in clinical trials in the U.S. The company also produces the Atakr(R) radio frequency ablation system to neutralize heart muscle cells that cause tachyarrhythmias through a nonsurgical procedure. The Atakr(R) system consists of a closed-loop, temperature-controlled radio frequency generator with an array of steerable and non-steerable catheters.

The company's Pacing business unit accounted for 65.5% of Medtronic's net sales during the fiscal year ended April 30, 1995 ("fiscal 1995"), 67.2% of net sales in fiscal 1994 and 65.7% of net sales in fiscal 1993.

The company's Other Cardiovascular business unit consists of Cardiopulmonary, Blood Management, DLP, Heart Valves, and Interventional Vascular. Through a series of strategic acquisitions over the past decade, Medtronic now markets a complete line of blood-handling products. These include the Bio-Medicus Bio-Pump(R), the Maxima(R) oxygenator, Electromedics' autotransfusion equipment, a broad line of cannulae and hemostasis management equipment. These devices form a life-saving circuit by maintaining blood circulation, oxygen supply and body temperature while the patient is undergoing emergency treatment or open-heart surgery.

The company's Heart Valve business produces tissue and mechanical valve replacements for damaged or diseased heart valves. Two new tissue valves, the Mosaic(tm) stented valve and the Freestyle(R) non-stented aortic root, have improved antimineralization and durability and are currently in clinical trials outside the U.S. The company's Interventional Vascular business produces balloon and guiding catheters, stents and accessories used by physicians to open arteries obstructed by deposits of fatty plaque. In fiscal 1995, the company commercially released worldwide the Ascent(tm) guiding catheter, which provides the conduit and support of balloon catheters to reach the obstructed coronary

artery, and two new balloon catheters, the Evergreen(tm) over-the-wire and the Falcon(tm). The Falcon(tm) is a "rapid exchange" style catheter which makes it possible for a single operator to perform the procedure, reducing the time required for an angioplasty procedure and minimizing the need for additional staff to assist the interventional cardiologist.

The company's Other Cardiovascular business unit accounted for 26.1% of net sales in fiscal 1995, and 23.6% and 22.9% of net sales, respectively, for fiscal 1994 and 1993.

The Neurological and Other business unit produces implantable systems for spinal cord stimulation and programmable drug delivery that are used in treating chronic intractable pain, tremor and spasticity. These include the SynchroMed(R) pump and the Itrel(R) II spinal cord stimulation system. The Mattrix(R) stimulator, which was commercially released in the U.S. in June 1995, is the first neurostimulation system that offers a dual stimulation mode for more effective pain management. The company is also collaborating with several biotechnology companies to develop therapies for neurodegenerative disorders such as Alzheimer's disease, Parkinson's disease, and amyotrophic lateral sclerosis or Lou Gehrig's disease. Compounds for treating these diseases, called neurotrophic factors, are still in development by these companies. Once they are proven to be safe and effective, Medtronic believes its drug delivery technology could be effective in administering these agents directly to their site of action in precise doses. The Neurological and Other business unit accounted for 8.4% of net sales for fiscal 1995, and 9.2% and 11.4% of net sales, respectively, for fiscal 1994 and 1993. The decrease in percentage of revenue is due to divested product lines during fiscal 1994 and 1995.

GOVERNMENT REGULATION. The industry segment in which Medtronic competes involves development, production and sales of medical devices. In the United States, the Food and Drug Administration (the "FDA"), among other governmental agencies, is responsible for regulating the introduction of new medical devices, laboratory and manufacturing practices, and labeling and recordkeeping for medical devices, as well as for reviewing manufacturers' required reports of adverse experience to identify potential problems with marketed medical devices. The FDA can ban certain medical devices, detain or seize adulterated or misbranded medical devices, order repair, replacement, or refund of such devices, and require notification of health professionals and others with regard to medical devices that present unreasonable risks of substantial harm to the public health. The FDA may also enjoin and restrain certain violations of the Food, Drug and Cosmetic Act and the Safe Medical Devices Act pertaining to medical devices, or initiate action for criminal prosecution of such violations. Many of the devices that Medtronic develops and markets are in a category for which the FDA has implemented stringent clinical investigation and premarket clearance requirements. Moreover, the FDA administers certain controls over the export of such devices from the United States.

The number of medical devices approved by the FDA for commercial release has decreased significantly in recent years due to more rigorous clinical evaluation requirements, increased enforcement actions and more stringent product regulation by the FDA. Rigorous regulatory action may be taken in response to deficiencies noted in inspections or to product performance problems. The risks in the United States of lengthened introduction times for new products and additional expense have increased substantially. In addition, the requirements for post-market surveillance and device tracking under the Safe Medical Devices Act will continue to increase the expense of the regulatory process.

Medical device laws are also in effect in many of the countries in which Medtronic does business outside the United States. These range from comprehensive device approval requirements for some or all of Medtronic's medical device products to requests for product data or certifications. The number and scope of these requirements is increasing. This trend toward increasing product regulation is evident in the European Economic Community, where efforts are underway to harmonize the regulatory systems.

The U.S. Health Care Financing Administration, which determines Medicare reimbursement policy and practice, has changed its practice of reimbursing hospitals for procedures involving medical devices in clinical evaluation. This change in practice is causing hospitals to treat Medicare patients only with medical devices that have been cleared for commercial release by the FDA. This action has further limited the scope of clinical trials in the U.S., is forcing more clinical research to non-U.S. markets, and is increasing the cost and time required to complete clinical evaluations in the U.S.

Government and private sector initiatives to limit the growth of health care costs, including price regulation and competitive pricing, are continuing in several countries in which the company does business, including the United States. These changes are causing the marketplace to put increased emphasis on the delivery of more cost-effective medical therapies. Although the company believes it is well positioned to respond to changes resulting from this worldwide trend toward cost containment, the uncertainty as to the outcome of any proposed legislation or changes in the marketplace preclude the company from predicting the impact these changes may have on future operating results.

Medtronic is also subject to various environmental laws and regulations both in the United States and abroad. The operations of the company, like those of other medical device companies, involve the use of substances regulated under environmental laws, primarily in manufacturing and sterilization processes. While it is difficult to quantify the potential impact of compliance with environmental protection laws, management believes that such compliance will not have a material impact on the company's financial position.

The Company operates in an industry susceptible to significant product liability claims. Product liability claims may be asserted against the company in the future relative to events not known to management at the present time. Management believes that the company's risk management practices, including insurance coverage, are reasonably adequate to protect against potential product liability losses.

SALES, MARKETS AND DISTRIBUTION METHODS. The primary markets for Medtronic's products are hospitals, other medical institutions and physicians, both in the United States and abroad. No one customer individually accounts for a material amount of Medtronic's total sales.

Medtronic sells most of its products and services directly through its staff of trained, full-time sales representatives. Sales by these representatives accounted for approximately 93.6% of Medtronic's U.S. sales and approximately 64.8% of its sales from other countries in fiscal 1995. The remaining sales were made through independent distributors.

RAW MATERIALS AND PRODUCTION. Medtronic generally has vertically integrated manufacturing operations, and makes its own lithium batteries, feedthroughs, integrated and hybrid circuits, microprocessors, and certain other components. Medtronic purchases many of the parts and materials used in manufacturing its components and products from external suppliers. Medtronic's single- and sole-sourced materials include biomaterials such as adhesives, polymers, elastomers and resins; certain integrated circuits and other electrical/electronic components; power sources, battery anodes, pyrolytic carbon discs, pharmaceutical preparations such as Lioresal(R) (baclofen, USP) Intrathecal (registered trademark of CIBA-GEIGY Corporation), and computer and other peripheral equipment.

Certain of the raw materials and components (e.g., silicone adhesives and polyurethanes) used in Medtronic products are available only from a sole U.S. supplier. Materials are purchased from single sources for reasons of quality assurance and cost effectiveness. Medtronic works closely with its suppliers to assure continuity of supply while maintaining high quality and reliability. However, in an effort to reduce potential product liability exposure, certain suppliers have terminated or are planning to terminate sales of certain materials and parts to companies that manufacture implantable medical devices. Medtronic believes that various design, material or supplier alternatives can be found for these materials and components without a significant interruption in production.

PATENTS AND LICENSES. Medtronic owns patents on certain of its inventions, and obtains licenses from others as it deems necessary to its business. Medtronic's policy is to obtain patents on its inventions whenever practical. Technological advancement characteristically has been rapid in the medical device industry, and Medtronic does not consider its business to be materially dependent upon any individual patent.

COMPETITION AND INDUSTRY. Medtronic sells therapeutic medical devices in the United States and throughout the world. In the businesses in which Medtronic competes, the company faces a mixture of competitors ranging from large multi-national industrial manufacturers to diversified pharmaceutical companies, as well as regional or national manufacturers that offer a limited number of products. Important factors to Medtronic's customers include product reliability and performance, product technology that provides for improved patient benefits, product price, and related product services provided by the manufacturer. Major

shifts in industry market shares have occurred in connection with product problems, physician advisories and safety alerts, reflecting the importance and risks of product quality in the medical device industry.

Medtronic is the leading manufacturer and supplier of pacemakers in both the U.S. and non-U.S. markets. Worldwide, approximately ten manufacturers compete in the pacemaker industry. In the U.S., Medtronic and four other manufacturers account for a significant portion of pacemaker sales. Medtronic and five other manufacturers account for most of the non-U.S. pacemaker sales.

In the tachyarrhythmia management device market, Medtronic and two other manufacturers based in the U.S. account for most sales of implantable defibrillators within and outside the U.S. Medtronic and one of these other manufacturers have transvenous lead systems cleared for commercial sale in the U.S. Medtronic's Jewel(R) PCD(R) devices are commercially available with the company's Transvene(tm) leads in U.S. and non-U.S. markets. Approximately three other companies have devices in various stages of development and clinical evaluation.

In the coronary angioplasty market, which includes balloon and guiding catheters and implantable stents, there are numerous competitors worldwide. Medtronic believes that it is the leading manufacturer and supplier of guiding catheters worldwide. Medtronic and three other manufacturers account for most combined balloon and guiding catheter sales. In stents, Medtronic and two competitors account for most sales worldwide, with one competitor holding a dominant market position and numerous new competitors emerging.

Medtronic is the second largest manufacturer and supplier of tissue heart valves and also of mechanical heart valves within and outside the U.S. A large manufacturer and distributor of hospital products and services is the major competitor in tissue heart valves and another company is the major competitor in mechanical heart valves. These two companies and Medtronic are the primary manufacturers and suppliers of heart valves within the U.S. These three companies plus a few competitors outside the U.S. account for most of the non-U.S. heart valve sales.

In the blood oxygenator market, there are approximately seven companies that account for a significant portion of the U. S. and non-U.S. markets. Medtronic is the leading manufacturer and supplier of blood oxygenators and centrifugal blood pumps worldwide.

Medtronic is the market leader in cannula products. Medtronic and four competitors account for a significant portion of cannulae sales in the U.S.

Medtronic and three competitors account for a significant portion of autotransfusion sales in both U.S. and non-U.S. markets.

In neurological devices, Medtronic is the leading manufacturer and supplier of implantable neurostimulation and drug delivery systems. Medtronic and two competitors account for most sales worldwide.

Market complexity has been intensifying in the medical device industry in recent years. Factors such as relative patent portfolios, government regulation (including the regulatory approval process for medical devices), a more rigorous enforcement climate at the FDA, anticipated health care reform, government reimbursement systems for health care costs, product liability litigation and the rapid rate of technological change are increasingly important considerations for existing medical device manufacturers and any potential entrants to the industry.

RESEARCH AND DEVELOPMENT. Medtronic spent $191.4 million on research and development (11.0% of net sales) in fiscal 1995, $156.3 million (11.2% of net sales) in fiscal 1994 and $133.0 million (10.0%of net sales) in fiscal 1993. Such amounts have been applied toward improving existing products, expanding their applications, and developing new products. Medtronic's research and development projects span such areas as sensing and treatment of cardiovascular disorders (including bradycardia and tachyarrhythmia, fibrillation, and sinus node abnormalities); improved heart valves, membrane oxygenators and centrifugal blood pump systems; implantable drug delivery systems for pain, spasticity and other neurological applications; muscle and neurological stimulators; therapeutic catheters; coronary stents and treatments for restenosis; implantable physiologic sensors; cardiac assist systems (cardiomyoplasty) and other applications of transformed muscle; and materials and coatings to enhance the blood/device interface.

Medtronic has not engaged in significant customer or government sponsored research.

EMPLOYEES. On April 30, 1995, Medtronic and its subsidiaries employed 8,896 people on a regular, full-time basis and, including temporary and part-time employees, a total of 10,313 employees on a full-time equivalent basis.

U.S. AND NON-U.S. OPERATIONS AND EXPORT SALES. Medtronic sells products in more than 120 countries in three geographic areas: the Americas, Europe/Middle East/Africa, and Asia/Pacific. For financial reporting purposes, revenues, profitability, and identifiable assets attributable to significant geographic areas are presented in Note 14 to the consolidated financial statements, incorporated herein by reference to Medtronic's 1995 Annual Shareholder Report on page 49. U.S. export sales to unaffiliated customers comprised less than two percent of Medtronic's consolidated sales in each of fiscal 1995, 1994 and 1993.

Operation in countries outside the U.S. is accompanied by certain financial and other risks. Relationships with customers and effective terms of sale frequently vary by country, often with longer-term receivables than are typical in the U.S. Inventory management is an important business concern due to the potential for rapidly changing business conditions and currency exposure. Currency exchange rate fluctuations can affect income from, and profitability of, non-U.S. operations. Medtronic attempts to hedge these exposures to reduce the effects of foreign currency fluctuations on net earnings. Certain countries also limit or regulate the repatriation of earnings to the United States. Non-U.S. operations in general present complex tax and money management questions requiring sophisticated analysis and precise execution of strategy to meet the company's financial objectives.

EXECUTIVE OFFICERS OF MEDTRONIC

Set forth below are the names and ages of current executive officers of Medtronic, Inc., as well as information regarding their positions with Medtronic, Inc., their periods of service in these capacities, and their business experience for the past five or more years. Executive officers generally serve terms of office of approximately one year. There are no family relationships between any of the officers named, nor is there any arrangement or understanding pursuant to which any person was selected as an officer.

WILLIAM W. GEORGE, age 52, has been President and Chief Executive Officer since May 1991, was President and Chief Operating Officer from March 1989 to April 1991, and has been a director since March 1989. Prior to joining the company, Mr. George was President, Space and Aviation Systems Business, at Honeywell Inc. from December 1987 to March 1989. During his 11 years with Honeywell, Mr. George served in several other executive positions including President, Industrial Automation and Control, from May 1987 to December 1987; and Executive Vice President of that business from January 1983 to May 1987.

GLEN D. NELSON, M.D., age 58, has been Vice Chairman since July 1988, and has been a director since 1980. From September 1986 to July 1988, he was Executive Vice President of the company. Dr. Nelson was Chairman and Chief Executive Officer of American MedCenters, Inc., an HMO management corporation, from July 1984 to August 1986.

ARTHUR D. COLLINS, JR., age 47, has been Chief Operating Officer since January 1994 and has been a director since August 1994. From June 1992 to January 1994, Mr. Collins was Executive Vice President and President of Medtronic International. Prior to joining the company, Mr. Collins was Corporate Vice President, Diagnostic Products, at Abbott Laboratories from October 1989 to May 1992 and Divisional Vice President, Diagnostic Products, from May 1984 to October 1989. During his 14 years with Abbott, Mr. Collins served in various general management positions both in the United States and Europe.

BOBBY I. GRIFFIN, age 58, has been Executive Vice President since July 1988, and President, Pacing, since March 1991. From September 1985 to July 1988, Mr. Griffin was Vice President of the Pacing Business Unit.

BILL K. ERICKSON, age 51, has been Senior Vice President and President, Americas, since January 1994. From May 1992 to January 1994, Mr. Erickson was Senior Vice President and President, U.S. Cardiovascular Sales and Marketing Division. Mr. Erickson was Senior Vice President, U.S. Cardiovascular Division, from January 1990 to May 1992 and was Vice President, U.S. Cardiovascular Distribution, from January 1982 to December 1989.

JANET S. FIOLA, age 53, has been Senior Vice President, Human Resources

since March 1994. She was Vice President, Human Resources, from February 1993 to March 1994, and was Vice President, Human Resources Development, from February 1988 to February 1993.

PHILIP M. LAUGHLIN, age 47, joined the company as Senior Vice President and President, Cardiac Surgery, in July 1995. Prior to that he served with Clintec Nutrition Company (worldwide joint venture of Baxter International and Nestle Company in the field of clinical nutrition), as President, North America, from 1994 through July 1995 and as President, United States, from 1989 to 1993. From 1976 to 1989, he held numerous management positions at Baxter International, most recently as Vice President, Operations, Global Business Group.

RONALD E. LUND, age 60, has been Senior Vice President and General Counsel since November 1990, and Secretary since July 1992, and was Vice President and General Counsel from February 1989 to November 1990. Prior to joining the company, Mr. Lund served as Vice President and Associate General Counsel of The Pillsbury Company from 1984 to February 1989.

JOHN A. MESLOW, age 56, has been Senior Vice President and President, Neurological Business, since March 1994. He was Vice President and President, Neurological Business, from March 1991 to March 1994, and was Vice President, Neurological Division, from March 1985 to March 1991.

ROBERT L. RYAN, age 52, has been Senior Vice President and Chief Financial Officer since April 1993. Prior to joining the company, Mr. Ryan was Vice President, Finance, and Chief Financial Officer of Union Texas Petroleum Corp. from May 1984 to April 1993, Controller from May 1983 to May 1984, and Treasurer from March 1982 to May 1983.

ITEM 2. PROPERTIES

Medtronic's principal offices are owned by the company and located in the Minneapolis, Minnesota metropolitan area. Manufacturing or research facilities are located in Arizona, California, Colorado, Massachusetts, Michigan, Minnesota, Texas, Puerto Rico, Canada, France, Germany, Italy, the Netherlands and Japan. The company's total manufacturing and research space is approximately 1,653,000 square feet, of which 80% is owned by the company and the balance is leased.

Medtronic also maintains sales and administrative offices inside the United States at 47 locations in 27 states and outside the United States at 96 locations in 24 countries. Most of these locations are leased. Medtronic is utilizing substantially all of its currently available productive space to develop, manufacture and market its products. The company's facilities are in good operating condition, suitable for their respective uses and adequate for current needs.

ITEM 3. LEGAL PROCEEDINGS

Notes 11 and 12 to the consolidated financial statements appearing on pages 48 and 49 of Medtronic's 1995 Annual Shareholder Report are incorporated herein by reference.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5. MARKET FOR MEDTRONIC'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The information in the sections entitled "Price Range of Medtronic Stock" and "Investor Information" on page 51 of Medtronic's 1995 Annual Shareholder Report is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information for the years 1985 through 1995 on page 50 of Medtronic's 1995 Annual Shareholder Report is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information on pages 33 through 37 of Medtronic's 1995 Annual Shareholder Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements, together with the report thereon of independent accountants dated May 22, 1995, appearing on pages 38 through 49 of Medtronic's 1995 Annual Shareholder Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF MEDTRONIC

The information on pages 1 through 6 of Medtronic's Proxy Statement for its 1995 Annual Shareholders' Meeting and on page 9 of such Proxy Statement regarding Section 16(a) reporting is incorporated herein by reference. See also "Executive Officers of Medtronic" on pages 5 and 6 hereof.

ITEM 11. EXECUTIVE COMPENSATION

The sections entitled "Election of Directors -- Director Compensation" and "Executive Compensation" on pages 7 and 8, and 14 through 20, respectively, of Medtronic's Proxy Statement for its 1995 Annual Shareholders' Meeting are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

"Shareholdings of Certain Owners and Management" on page 9 of Medtronic's Proxy Statement for its 1995 Annual Shareholders' Meeting is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information on page 8 of Medtronic's Proxy Statement for its 1995 Annual Shareholders' Meeting, concerning services provided to the company by the Chairman of the Board and the Founder of the company in fiscal 1995, is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(A) 1. FINANCIAL STATEMENTS

Report of Independent Accountants (incorporated herein by reference to page 38 of Medtronic's 1995 Annual Shareholder Report)

Statement of Consolidated Earnings -- years ended April 30, 1995, 1994, and 1993 (incorporated herein by reference to page 39 of Medtronic's 1995 Annual Shareholder Report)

Consolidated Balance Sheet -- April 30, 1995 and 1994 (incorporated herein by reference to page 40 of Medtronic's 1995 Annual Shareholder Report)

Statement of Consolidated Cash Flow -- years ended April 30, 1995, 1994, and 1993 (incorporated herein by reference to page 41 of Medtronic's 1995 Annual Shareholder Report)

Notes to Consolidated Financial Statements (incorporated herein by reference to pages 42 through 49 of Medtronic's 1995 Annual Shareholder Report)

2. FINANCIAL STATEMENT SCHEDULES

II Valuation and Qualifying Accounts -- years ended April 30, 1995, 1994, and 1993

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. EXHIBITS

3.1	Medtronic Restated Articles of Incorporation, as amended to date (Exhibit 3.1).(g)
3.2	Medtronic Bylaws, as amended to date (Exhibit 3.2).(f)
4	Form of Rights Agreement dated as of June 27, 1991 between Medtronic and Norwest Bank Minnesota, National Association, including as Exhibit A thereto the form of Preferred Stock Purchase Right Certificate, incorporated by reference to Exhibit (1) of Medtronic's Form 8-A Registration Statement dated June 27, 1991 and filed with the Securities and Exchange Commission on June 28, 1991.
*10.1	1994 Stock Award Plan (Appendix A).(b)
*10.2	Management Incentive Plan (Appendix B).(b)
*10.3	1979 Restricted Stock and Performance Share Award Plan, as amended to date (Exhibit 10.1).(d)
*10.4	1979 Nonqualified Stock Option Plan, as amended (Exhibit A).(e)
*10.5	Form of Employment Agreement for Medtronic executive officers.
*10.6	1991 Restricted Stock Plan for Non-Employee Directors (Exhibit B).(e)
*10.7	Capital Accumulation Plan Deferral Program (Exhibit 10.6).(d)
*10.8	Postretirement Survivor Benefit Plan (Exhibit 10.7).(d)
*10.9	Amendment effective October 1, 1993 to the Directors' Retirement Plan (Exhibit 10.9).(a)
*10.10	Nonqualified Supplemental Benefit Plan (Exhibit 10.9).(d)
*10.11	Management Incentive Plan Stock Option Replacement Program
11	Computation of Earnings Per Share.
13	Those portions of Medtronic's 1995 Annual Shareholder Report expressly incorporated by reference herein, which shall be deemed filed with the Commission.
21	List of Subsidiaries.
23	Consent and Report of Price Waterhouse (set forth on page 11 of this report).
24	Powers of Attorney.
27	Financial Data Schedule

(a) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1994, filed with the Commission on July 27, 1994.

(b) Incorporated herein by reference to the cited Appendix in Medtronic's Proxy Statement for its 1994 Annual Meeting of Shareholders filed with the Commission on July 27, 1994.

(c) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1993, filed with the Commission on July 23, 1993.

(d) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1992, filed with the Commission under cover of Form SE dated July 24, 1992.

(e) Incorporated herein by reference to the cited exhibit in Medtronic's Proxy Statement for its 1991 Annual Meeting of Shareholders, filed with the Commission on July 24, 1991.

(f) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1991, filed with the Commission under cover of Form SE dated July 24, 1991.

(g) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1990, filed with the Commission under cover of Form SE dated July 20, 1990.

*Items that are management contracts or compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 14(c) of Form 10-K.

(B) REPORTS ON FORM 8-K

No reports on Form 8-K were filed by Medtronic during the quarter ended April 30, 1995.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDTRONIC, INC.

Dated: July 25, 1995

BY: /S/ WILLIAM W. GEORGE
William W. George
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: July 25, 1995

BY: /S/ WILLIAM W. GEORGE
William W. George
President and
Chief Executive Officer

Dated: July 25, 1995

BY: /S/ ROBERT L. RYAN
Robert L. Ryan
Senior Vice President and
Chief Financial Officer
(Principal Financial and
Accounting Officer)

F. CALEB BLODGETT
ARTHUR D. COLLINS, JR.
WILLIAM W. GEORGE
ANTONIO M. GOTTO, JR., M.D.
BERNADINE P. HEALY, M.D.
VERNON H. HEATH
THOMAS E. HOLLORAN
EDITH W. MARTIN, PH.D.
GLEN D. NELSON, M.D.
RICHARD L. SCHALL
JACK W. SCHULER
GERALD W. SIMONSON
GORDON M. SPRENGER
RICHARD W. SWALIN, PH.D.
WINSTON R. WALLIN

DIRECTORS

Ronald E. Lund, by signing his name hereto, does hereby sign this document on behalf of each of the above named directors of the registrant pursuant to powers of attorney duly executed by such persons.

Dated: July 25, 1995

BY: /S/ RONALD E. LUND
Ronald E. Lund
Attorney-in-Fact

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULES

To the Board of Directors of Medtronic, Inc.

Our audits of the consolidated financial statements referred to in our report dated May 22, 1995 appearing on page 38 of the 1995 Annual Shareholder Report of Medtronic, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedule listed in Item 14(a) of this Form 10-K. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP

Minneapolis, Minnesota
May 22, 1995

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in each Prospectus constituting part of the Registration Statements on Form S-8 (Registration Nos. 2-65157, 2-68408, 33-169, 33-36552, 2-65156, 33-24212, 33-37529, 33-44230 and 33-55329) and Form S-4 (Registration No. 33-52751) of Medtronic, Inc. of our report dated May 22, 1995 appearing on page 38 of the 1995 Annual Shareholder Report which is incorporated by reference in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule as shown above.

PRICE WATERHOUSE LLP

Minneapolis, Minnesota
July 25, 1995

MEDTRONIC, INC. AND SUBSIDIARIES
SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS OF DOLLARS)

	BALANCE AT BEGINNING OF PERIOD	CHARGES TO EARNINGS	OTHER CHANGES (DEBIT) CREDIT	BALANCE AT END OF PERIOD
Allowance for doubtful accounts:				
Year ended 4/30/95	$20,123	$ 2,501	$(1,464)(a)	$22,416
			1,256 (b)	
Year ended 4/30/94	9,456	13,185	(2,902)(a)	20,123
			384	
Year ended 4/30/93	17,229	9,404	(5,050)(a)	9,456
			(4,608)(c)	
			(7,015)(d)	
			(504)	
Accrued warranty and product liability (e):				
Year ended 4/30/95	$20,127	$16,062	$(5,956)(f)	$30,233
Year ended 4/30/94	15,326	8,645	(3,844)(f)	20,127
Year ended 4/30/93	15,544	4,667	(4,885)(f)	15,326

(a) Uncollectible accounts written off, less recoveries.

(b) Reflects primarily the effects of foreign currency fluctuations.

(c) Reflects the sale of all assets of the CardioCare division.

(d) Reflects reclassification of assets retained in the sale of the Nortech division.

(e) Includes both current and noncurrent amounts.

(f) Claims settled, less reimbursement by insurance carrier

Commission File Number 1-7707

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

EXHIBITS

TO

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13

OF

THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED APRIL 30, 1995

[LOGO]

Medtronic, Inc.
7000 Central Avenue N.E.
Minneapolis, Minnesota 55432
Telephone: 612/574-4000

EXHIBIT INDEX

3.1	Medtronic Restated Articles of Incorporation, as amended to date (Exhibit 3.1).(g)
3.2	Medtronic Bylaws, as amended to date (Exhibit 3.2).(f)
4	Form of Rights Agreement dated as of June 27, 1991 between Medtronic and Norwest Bank Minnesota, National Association, including as Exhibit A thereto the form of Preferred Stock Purchase Right Certificate, incorporated by reference to Exhibit (1) of Medtronic's Form 8-A Registration Statement dated June 27, 1991 and filed with the Securities and Exchange Commission on June 28, 1991.
10.1	1994 Stock Award Plan (Appendix A).(b)
10.2	Management Incentive Plan (Appendix B).(b)
10.3	1979 Restricted Stock and Performance Share Award Plan, as amended to date (Exhibit 10.1).(d)
10.4	1979 Nonqualified Stock Option Plan, as amended (Exhibit A).(e)
10.5	Form of Employment Agreement for Medtronic executive officers.
10.6	1991 Restricted Stock Plan for Non-Employee Directors (Exhibit B).(e)
10.7	Capital Accumulation Plan Deferral Program (Exhibit 10.6).(d)
10.8	Postretirement Survivor Benefit Plan (Exhibit 10.7).(d)
10.9	Amendment effective October 1, 1993 to the Directors' Retirement Plan (Exhibit 10.9).(a)
10.10	Nonqualified Supplemental Benefit Plan (Exhibit 10.9).(d)
10.11	Management Incentive Plan Stock Option Replacement Program
11	Computation of Earnings Per Share.
13	Those portions of Medtronic's 1995 Annual Shareholder Report expressly incorporated by reference herein, which shall be deemed filed with the Commission.
21	List of Subsidiaries.
23	Consent and Report of Price Waterhouse (set forth on page 11 of this report).
24	Powers of Attorney.
27	Financial Data Schedule

(a) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1994, filed with the Commission on July 27, 1994.

(b) Incorporated herein by reference to the cited Appendix in Medtronic's Proxy Statement for its 1994 Annual Meeting of Shareholders filed with the Commission on July 27, 1994.

(c) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1993, filed with the Commission on July 23, 1993.

(d) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1992, filed with the Commission under cover of Form SE dated July 24, 1992.

(e) Incorporated herein by reference to the cited exhibit in Medtronic's Proxy Statement for its 1991 Annual Meeting of Shareholders, filed with the Commission on July 24, 1991.

(f) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1991, filed with the Commission under cover of Form SE dated July 24, 1991.

(g) Incorporated herein by reference to the cited exhibit in Medtronic's Annual Report on Form 10-K for the year ended April 30, 1990, filed with the Commission under cover of Form SE dated July 20, 1990.

EXHIBIT NUMBER 10.5

EMPLOYMENT AGREEMENT FOR MEDTRONIC EXECUTIVE OFFFICERS

EXHIBIT 10.5

EMPLOYMENT AGREEMENT

AGREEMENT by and between Medtronic, Inc. a Minnesota corporation (the "Company") and _____ (the "Executive"), dated as of the _____ day of _____,_____.

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions.

   (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Executive's employment with the Company is terminated or the Executive ceases to be an officer of the Company prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment or cessation of status as an officer (i) was at the request of a third party who has taken steps reasonably calculated to effect the Change of Control or (ii) otherwise arose in connection with or anticipation of the Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment or cessation of status as an officer.

   (b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on the third anniversary of such date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

   (a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding shares of common stock of the

Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company or any of its subsidiaries, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries or (iv) any acquisition by any corporation with respect to which, following such acquisition, more than 55% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Company Voting Securities immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents; or

(c) Approval by the shareholders of the Company of a reorganization, merger, consolidation or statutory exchange of Outstanding Company voting Securities, in each case, with respect to which all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such reorganization, merger, consolidation or exchange do not, following such reorganization, merger, consolidation or exchange, beneficially own, directly or indirectly, more than 55% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, consolidation or exchange in substantially the same proportions as their ownership, immediately prior to such reorganization, merger, consolidation or exchange of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; or

(d) Approval by the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation with respect to which, following such sale or other disposition, more than 55% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such sale or other

disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be.

Notwithstanding the foregoing provisions of this Section 2, a Change of Control shall not be deemed to occur if the acquisition of the 30% or greater interest referred to in Section 2(a) is by a group, acting in concert, that includes the Executive or if at least 40% of the then outstanding common stock or combined voting power of the then outstanding voting securities (or voting equity interests) of the surviving corporation or of any corporation (or other entity) acquiring all or substantially all of the assets of the Company shall be beneficially owned, directly or indirectly, immediately after a reorganization, merger, consolidation, statutory share exchange or disposition of assets referred to in Section 2(c) or (d) by a group, acting in concert, that includes the Executive.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period"), provided that nothing stated in this Agreement shall restrict the right of the Company or the Executive at any time to terminate the Executive's employment with the Company, subject to the obligations of the Company provided for in this Agreement in the event of such termination.

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 90-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) Except as otherwise expressly provided in this Agreement, during the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base

Salary") which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed at least annually and shall be increased at any time and from time to time as shall be substantially consistent with increases in base salary generally awarded in the ordinary course of business to other peer executives of the Company and its affiliated companies. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Incentive Payments. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year during the Employment Period, an annual bonus ("Annual Bonus") in cash at least equal to the average annual or annualized (for any fiscal year consisting of less than twelve full months or with respect to which the Executive has been employed by the Company for less than twelve full months) award paid to or accrued for the Executive under the Company's Management Incentive Plan, as amended from time to time prior to the Effective Date (the "MIP"), for the three fiscal years immediately preceding the fiscal year in which the Effective Date occurs (the "Recent Average Bonus"). In addition, the Executive shall be awarded, for each fiscal year during the Employment Period, an additional annual incentive payment (the "Annual Performance Share Equivalent") in cash at least equal to the average annual or annualized (for any fiscal year consisting of less than twelve full months or with respect to which the Executive has been employed by the Company for less than twelve full months) value, when distributed, of the distributions of vested performance share awards paid to or accrued for the Executive under the Company's Restricted Stock and Performance Share Award Plan, as amended from time to time prior to the Effective Date (the "PSP"), for the three fiscal years immediately preceding the fiscal year in which the Effective Date occurs (the "Recent Average PSP Payments"). The Annual Bonus and Annual Performance Share Equivalent are herein referred to collectively as the Annual Incentive Payments. The Annual Incentive Payments shall be paid no later than the end of the third month of the fiscal year for which the Annual Incentive Payments are awarded, unless the Executive shall elect to defer the receipt of such Annual Incentive Payments.

(iii) Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 90-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable,, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 90-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 90-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Perquisites. During the Employment Period, the Executive shall be entitled to perquisites in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 90-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 90-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacations in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 90-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer incentives of the Company and its affiliated companies.

5. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability

set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean (i) repeated violations by the Executive of the Executive's obligations under Section 4(a) of this Agreement (other than as a result of incapacity due to physical or mental illness) which are demonstrably willful and deliberate on the Executive's part, which are committed in bad faith or without the belief on the part of the Executive that such violations are in the best interests of the Company and which are not remedied in a reasonable period of time after receipt of written notice from the Company specifying such violations or (ii) the conviction of the Executive of a felony involving moral turpitude.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than that described in Section 4(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(v) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Executive during the 30-day period immediately following the first anniversary of the Effective Date (the "Window Period") which would not otherwise constitute Good Reason shall be

deemed to be a termination by the Executive for Good Reason for all purposes of this Agreement (other than the purposes of Sections 6(a)(i)B and 6(a)(ii)).

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company hereunder or preclude the Executive or the Company from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability or death, the Date of Termination shall be the date on which the Company notifies the Executive of such termination and (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause, death or Disability or the Executive shall terminate employment for Good Reason, in lieu of further payments pursuant to Section 4(b) with respect to periods following the Date of Termination:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts (such aggregate shall be hereinafter referred to as the "Special Termination Amount"):

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, and, unless the termination of the Executive's employment shall occur during the plan year of the MIP in which the Change in Control occurs, as defined in the MIP, in which event the bonus award payable to the Employee with respect to the fiscal year of termination shall be made pursuant to the terms of the MIP and the PSP, (2) the product of (x) the higher of (I) the sum of the Recent Average Bonus and the Recent Average PSP Payments and (II) the Annual Incentive Payments paid or payable, including by reason of deferral, (and annualized for any fiscal year consisting of less than twelve full months or for which the Executive has been employed for less than twelve full months) for the most recently completed fiscal year during the Employment Period, if any, and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of

Termination, and the denominator of which is 365 (the sum of the amounts described in clauses (1) and (2) shall be hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) three (two, in the case of a voluntary termination by the Executive without Good Reason during the Window Period) and (2) the sum of (x) the Executive's Annual Base Salary and (y) the higher of (i) the amount the Executive would be entitled to receive as a final award under the MIP for the year in which a Change in Control, as defined in the MIP, occurs, presuming that such Change in Control occurred on the Effective Date and (ii) the Annual Bonus paid or payable to the Executive for the most recently completed fiscal year during the Employment Period prior to the Date of Termination; and

C. an amount equal to the value of PSP awards, if any, including without limitation the lapse or restrictions on restricted stock awards, that would have been paid or payable to the Executive under the PSP but for Section 17(d) of the PSP but are not paid or payable to the Executive under the PSP because of Section 17(d); and

(ii) for the remainder of the Employment Period (or two years in the case of a voluntary termination by the Executive without Good Reason during the Window Period), or such longer period as any plan, program, practice or policy may provide, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated, in accordance with the most favorable plans, practices, programs or policies of the Company and its affiliated companies applicable generally to other peer executives and their families during the 90-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families, provided, however, that if the Executive becomes re-employed with another employer and is eligible to receive medical or disability welfare benefits under another employer provided plan, the medical and disability welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until the end of the Employment Period and to have retired on the last day of such period.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of the Accrued Obligations. The Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. In addition, the Executive's family shall be entitled to receive benefits at least equal to the most favorable benefits provided by the Company and any of its affiliated companies to surviving families of deceased peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to family death benefits, if any, as in effect with respect to other deceased peer executives and their families at any time during the 90-day period immediately preceding

the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect on the date of the Executive's death with respect to other deceased peer executives of the Company and its affiliated companies and their families.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of the Accrued Obligations. The Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. In addition, the Executive shall be entitled after the Disability Effective Date to receive disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices, and policies relating to disability, if any, as in effect generally with respect to other disabled peer executives and their families at any time during the 90-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other disabled peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive Annual Base Salary through the Date of Termination plus the amount of any compensation previously deferred by the Executive, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at

the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code").

9. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Price Waterhouse & Co. or such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that failure to report the Excise Tax on the Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall

apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order to effectively contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its

intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Executive shall comply with any and all confidentiality agreements with the Company to which the Executive is, or shall be, a party.

11. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

Medtronic, Inc.
Corporate Center
7000 Central Avenue N.E.
Minneapolis, Minnesota 55432

Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision hereof or any other provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company may be terminated by either the Executive or the Company at any time prior to the Effective Date or, subject to the obligations of the Company provided for in this Agreement in the event of a termination after the Effective Date, at anytime on or after the Effective Date. Moreover, if prior to the Effective Date, (i) the Executive's employment with the Company terminates or (ii) the Executive ceases to be an officer of the Company, then the Executive shall have no further rights under this Agreement. From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof, including, without limitation, the Management Agreement, if any, between the Company and the Executive in effect immediately prior to the execution of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

_____ MEDTRONIC, INC.

By _____

EXHIBIT NUMBER 10.11

MANAGEMENT INCENTIVE PLAN STOCK OPTION REPLACEMENT PROGRAM

EXHIBIT 10.11

MANAGEMENT INCENTIVE PLAN STOCK OPTION REPLACEMENT PROGRAM

In keeping with the company's philosophy of encouraging stock ownership by officers, in fiscal 1995 the company introduced a program which allows executive officers to elect to receive stock options in lieu of some or all of the cash compensation earned under the Management Incentive Plan, which is the company's annual cash bonus incentive plan. By foregoing cash compensation for stock options, the variable "at risk" component of each officer's compensation package is increased and officers are further motivated to perform to enhance shareholder value over the long term. Under the program, the amount of the stock option grant is determined by the Compensation Committee of the Board of Directors based on consideration of a number of factors, including a present value estimate of stock option value, the degree of risk incurred by the officer and the positive economic impact to the company.

EXHIBIT NUMBER 11

COMPUTATION OF EARNINGS PER SHARE

EXHIBIT 11

STATEMENT RE COMPUTATION OF
PER SHARE EARNINGS

MEDTRONIC, INC.
(Unaudited)
(in thousands)

Years ended April 30,	1995	1994	1993
PRIMARY			
Shares oustanding:			
Weighted average outstanding	115,240	114,808	118,832
Share equivalents (1)(2)	1,377	871	1,379
Adjusted shares outstanding (2)	116,617	115,679	120,211
FULLY DILUTED			
Shares outstanding:			
Weighted average outstanding	115,240	114,808	118,832
Share equivalents (1)(2)	2,190	1,120	1,541
Adjusted shares outstanding (2)	117,430	115,928	120,373
Net earnings before cumulative effect of accounting changes	$294,000	$232,357	$211,584
Net earnings	294,000	232,357	197,228

(1) Share equivalents consist primarily of nonqualified stock options.

(2) This calculation is submitted in accordance with Regulation S-K item 601(b)(11) although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because it results in dilution of less than 3%.

NOTE: Throughout this Annual Report, references to years, when used alone, refer to fiscal years ended April 30.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMARY

Medtronic is the world's leading therapeutic medical technology company, developing, manufacturing, and marketing therapies for improving cardiovascular and neurological health. Primary products include implantable pacemaker systems used for the treatment of bradycardia, implantable tachyarrhythmia management systems, mechanical and tissue heart valves, balloon and guiding catheters and stents used in angioplasty, implantable neuro stimulation and drug delivery systems, and perfusion systems including blood oxygenators, centrifugal blood pumps, cannula products, and autotransfusion and blood monitoring systems. The company reports on three business units--Pacing, Other Cardiovascular, and Neurological and Other--and three geographic areas--the Americas, Europe/Middle East/Africa, and Asia/Pacific.

Fiscal 1995 was another record year for the company, evidenced by the doubling of the stock price from April 1994 to April 1995 (after adjusting for the September 1994 stock split paid in the form of a 100% stock dividend). Net sales of $1.7 billion represent a 25.3% increase over 1994. Net sales on a comparable operations basis (i.e., after adjusting for the effects of prior year acquisitions and a divestiture and foreign currency translations), increased 16.5% compared to increases of 11.3% in 1994 and 13.0% in 1993. Net earnings and earnings per share increased 26.5% and 26.2% to $294.0 million and $2.55, respectively. The growth during 1995 was the result of solid contributions from each of the businesses and geographic areas and was accelerated by significant new product and therapy introductions. These product introductions included the Thera family of six new bradycardia pacing pulse generators, the Jewel family of tachyarrhythmia devices, and the Evergreen balloon catheter. Other product introductions which occurred late in the year included the Falcon rapid-exchange catheter and the Atakr cardiac ablation system.

Worldwide health care markets continue to change. Developed world markets, including the United States and Europe, continue to focus on cost controls and cost-effective therapies. The developing markets in China and Latin America are increasing their focus on the health and well-being of their citizens. Management believes that the company's broad base of proven, cost-effective products coupled with the strength of its worldwide manufacturing, marketing, and distribution capabilities will enable the company to continue to meet the needs of these changing markets and gain market share. In addition, the company is committed to continuing development of technologically advanced, more cost-effective products and therapies.

NET SALES

The increase in net sales from 1994 to 1995 on a comparable operations basis was primarily the result of increases in unit volume. Selling prices for the company's products overall remained relatively stable despite the market's focus on cost controls and competitive pricing, an indication of the cost effectiveness of the company's products. Sales in the United States in 1995 increased 15.2% on a comparable operations basis over the prior year, compared to 10.9% in 1994. Sales outside the United States increased 18.2% on a comparable operations basis compared to 11.9% in 1994. Sales in non-U.S. markets accounted for 43.8% of worldwide net sales, compared with 42.5% in 1994 and 42.0% in 1993. However, foreign exchange rate movements had a favorable year-to-year impact of $59.1 million and $22.0 million on international net sales in 1995 and 1993, respectively and an unfavorable impact of $30.8 million in 1994. Exclusive of the effects of foreign currency, non-U.S. net sales as a percentage of total net sales increased in each of the three years. The impact of foreign currency fluctuations on net sales is not necessarily indicative of the impact on net earnings due to the offsetting foreign currency impact on costs and expenses and the company's hedging activities (see Note 3 to the consolidated financial statements for further details on foreign currency instruments).

The following is a summary of sales by business unit as a percentage of total net sales:

Year ended April 30,	1995	1994	1993
Pacing	65.5%	67.2%	65.7%
Other Cardiovascular	26.1	23.6	22.9
Neurological & Other	8.4	9.2	11.4

Net sales of the Pacing business, consisting mainly of Bradycardia Pacing and Tachyarrhythmia Management, increased 17.6% over the prior year on a comparable operations basis versus growth of 12.0% in 1994. The increase in the growth rate from 1994 to 1995 was attributable to worldwide contributions from both bradycardia and tachyarrhythmia management devices. Bradycardia unit sales of implantable pulse generators (IPGs) achieved mid-teens percentage growth led by the Thera family of pacemakers. The Thera family, which consists of IPGs, a specialized pacemaker lead, and a new model 9790 programmer, was commercially released in Europe in March 1994 and was cleared by the Food and Drug Administration (FDA) for commercial sale in the United States in January 1995. Significant sales growth within the Tachyarrhythmia Management business was primarily attributable to the Jewel family of implantable cardioverter-defibrillators (ICDs). The first Jewel devices were introduced outside the United States in December 1993. In November 1994, two additional technologically advanced models of the Jewel were introduced outside the United States, and in March 1995, the FDA cleared five Jewel models for commercial sale in the United States. All of the Jewel devices are programmable using the 9790 programmer.

The Thera and Jewel product lines contributed significantly to the overall sales growth of the company in 1995 and are expected to continue to perform well in the future. Management believes the Pacing business is well positioned for continued growth based on the proven cost effectiveness of the products and the company's commitment to continue to develop technologically advanced products. The next generation of products for both bradycardia and tachyarrhythmia management, Thera i series and Jewel Plus, respectively, are currently in clinical evaluation.

The Other Cardiovascular business unit, consisting of Interventional Vascular, Cardiopulmonary, Blood Management, DLP and Heart Valves, accounted for an increased proportion of total net sales. Excluding the effects of acquisitions and foreign currency translation, net sales of the Other Cardiovascular business unit increased 12.2% compared with 8.4% in 1994. The Interventional Vascular business again reported strong double digit sales growth. Product introductions significantly broadened both the balloon and guiding catheter product lines and led to substantially increased worldwide unit sales. Balloon catheter sales growth was led by the Panther and Evergreen over-the-wire catheters, and strong growth in sales of guiding catheters was led by the new Ascent product line. The overall increase in unit growth of balloon catheters continued to be partially offset by declining average selling prices in the United States. Selling prices have deteriorated over the past two years as a result of increased price competition. It is unclear to what extent erosion of selling prices will continue into 1996. Within the Cardiopulmonary and Blood Management businesses, centrifugal blood pumps and oxygenators contributed double digit percentage revenue growth. The growth on a comparable operation basis was augmented by contributions from Electromedics, acquired in late 1994. In addition, DLP, also acquired in late 1994, contributed to the overall growth of the Other Cardiovascular business unit. Heart Valves reported moderate revenue growth. The overall growth of the Other Cardiovascular business was boosted by significant progress in the company's Cardiovascular Alliance program of multi-line contracting. This program allows customers to take advantage of the company's breadth of products by purchasing a broad variety of products under a single contract, thereby reducing administrative and product costs.

Net sales of the Neurological and Other businesses, primarily consisting of implantable neurostimulation devices, drug administration systems, and components, continued to record strong growth. Net sales on a comparable operations basis grew 19.5% over the previous year compared to growth of 14.5%

in 1994. Sales growth in 1995 was led by the implantable SynchroMed infusion system. In March 1994 the U.S. Health Care Financing Administration authorized Medicare reimbursement for use of the SynchroMed system with Lioresal Intrathecal for the treatment of chronic spasticity of spinal cord origin and morphine for malignant pain. In February 1995, the FDA granted a Treatment Protocol for the use of Lioresal Intrathecal in the treatment of spasticity of cerebral origin. The Itrel II implantable neurostimulation system also realized solid double digit percentage growth in 1995. In February 1995, a new neurostimulation therapy to control the involuntary motion and trembling associated with Parkinson's disease or essential tremor was commercially released outside the United States.

COSTS AND EXPENSES

The following is a summary of major costs and expenses as a percentage of net sales:

Year ended April 30,	1995	1994	1993
Cost of Products Sold	31.0%	31.0%	31.6%
Research & Development	11.0	11.2	10.0
Selling, General & Administrative	33.0	33.8	36.1

Cost of products sold as a percentage of net sales in 1995 remained consistent with 1994 as cost savings from increased production levels and cost-control efforts were offset by increased start-up costs related to new product introductions and fluctuations in product mix. The efficiencies of higher production levels were most evident in bradycardia and tachyarrhythmia management devices, drug administration system devices, and interventional vascular products. The decrease in cost of sales as a percent of sales from 1993 to 1994 was primarily the result of the divestitures of lower margin product lines, productivity increases, and effective cost controls. Gross margins will continue to be impacted by regulatory and competitive pricing pressures, new product introductions, the mix of products both within and between businesses, productivity fluctuations, and the effects of foreign currency fluctuations.

The company continued its commitment and strategy of achieving long-term growth, in part, by investing in research and development (R&D). R&D expense increased 22.4% to $191.4 million in 1995 from $156.3 million in 1994. Investing significant resources in R&D is intended to result in future revenue growth and market share gains by developing technological enhancements and new indications for existing products as well as developing new technologies to address unmet patient needs. The success of this strategy is reflected in the rapid market acceptance of new, technologically advanced products during 1995.

Selling, general, and administrative expense (SG&A) as a percent of sales decreased slightly in 1995 primarily due to overall cost efficiencies and accelerated revenue growth. SG&A expense includes unusual costs and income items such as royalty income, litigation settlement income, costs related to market value adjustments on hedging activity, and other items. The net effect of these unusual items was insignificant in 1995 and 1994 and does not have a material impact on the year-to-year comparison. The decrease in SG&A as a percent of sales from 1993 to 1994 was the result of effective spending controls, increased royalty income, and divestiture of businesses with higher overhead structures.

INCOME TAXES

The company's effective income tax rate in 1995 was 33.5%, up from 33.0% in 1994 and 32.5% in 1993. The increases in 1995 and 1994 were primarily the result of the Omnibus Budget Reconciliation Act of 1993, which increased the U.S. income tax rate and significantly reduced U.S. tax benefits resulting from the company's operations in Puerto Rico. During 1995, the negative impact of these changes was in part offset by increased tax credits. Although these changes in the tax code will continue to put upward pressure on the company's effective tax rate in the future, management believes that the adverse impact should be minimized by other tax planning initiatives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

SUMMARY

The company continued to strengthen its financial position during 1995. At April 30, 1995, working capital, the excess of current assets over current liabilities, totaled $647.8 million, an increase of 59.4% over the $406.4 million at April 30, 1994. The current ratio at April 30, 1995, was 2.4:1 compared with 1.9:1 and 2.2:1 at April 30, 1994 and 1993, respectively. The company's net cash position, defined as the sum of cash, cash equivalents, and short-term investments less short-term borrowings and long-term debt was $276.0 million at April 30, 1995, compared to $103.0 million at April 30, 1994, and $53.3 million at April 30, 1993.

Because of its strong financial condition, the company is well positioned to maintain its commitment to ongoing diversification strategies which include research and development spending, internal ventures, and acquisitions. The company intends to continue exploring potential mergers and acquisitions of companies which are strategically aligned with or will complement current businesses.

CASH FLOW

Cash provided by operating activities was $387.2 million in 1995 compared to $356.9 million in 1994 and $291.5 million in 1993. These operating cash flows were sufficient to fund the company's capital expenditures, acquisitions, dividends to shareholders, and stock repurchases. Capital spending totaled $104.0 million in 1995, an increase of 20.9% over the $86.0 million in 1994. This increase in capital spending was primarily the result of spending associated with the new model 9790 programmer which is utilized to program all Medtronic pacemakers and the company's Jewel line of ICDs. This cost-effective programmer with its advanced features and ease of use is contributing significantly to the rapid acceptance of the Thera and Jewel product lines. Capital spending in 1994 decreased 1.6% from 1993 while the 1993 spending reflected an increase of 5.0%. The company expects future growth in capital spending to support increased manufacturing capacity and operational requirements. This spending will be financed primarily by funds from operations. Repurchases of common stock totaled $59.1 million in 1995, compared to $53.4 million and $142.9 million in 1994 and 1993, respectively.

In addition to capital spending and stock repurchase activity, significant items affecting cash flows during 1995 included $39.1 million paid for settlement of payables related to 1994 acquisitions, dividends to shareholders totaling $47.2 million, and $36.2 million reduction of debt. Cash flows from increases and decreases in operating assets and liabilities essentially offset each other.

During 1994, the cash portion of the purchase price paid for the acquisitions of DLP, Electromedics, Inc., Carbon Implants, Inc., and CardioRhythm, was approximately $189.4 million. For further details, see Note 2 to the consolidated financial statements. In addition to acquisitions, capital spending, and stock repurchases, the company's cash position was favorably impacted by the timing of income tax payments, ongoing royalty income, and increases in liabilities.

DEBT AND CAPITAL

During 1995, the Board of Directors authorized the company to repurchase an additional 6.0 million shares of its common stock. At April 30, 1995, the total shares authorized for repurchase were approximately 7.4 million shares. During 1995, approximately 1.5 million shares were repurchased at an average cost of $38.39 per share. During 1994, approximately 1.7 million shares were repurchased

at an average price of $31.08 per share. The company repurchased shares in 1995 and 1994 to offset dilution resulting from the issuance of stock under employee benefit plans, shares issued in conjunction with the acquisition of Electromedics, Inc., and to take advantage of market conditions. Future repurchases of common stock will depend upon market conditions, the company's cash position, and other factors.

Dividends to shareholders were $47.2 million, $39.0 million, and $33.3 million in 1995, 1994, and 1993, respectively. Consistent with the company's financial objectives, the company expects to continue paying dividends at a rate of approximately 20% of the previous year's net earnings.

The company's capital structure consists of equity and interest-bearing debt. The company minimally utilizes long-term debt. Interest-bearing debt as a percent of total capital was 3.4% at April 30, 1995, compared with 6.9% and 10.9% at April 30, 1994, and 1993, respectively.

One of the company's key financial objectives is achieving an annual return on equity (ROE) of at least 20%. ROE compares net earnings to average shareholders' equity and is a key measure of management's ability to utilize the shareholders' investment in the company effectively. In 1995, ROE was 24.6%, up one-tenth of a percentage point over the 24.5% in 1994. This increase is significant considering average shareholders' equity increased 26.0% during the same period. In 1993, ROE was 24.1% and in each of the preceding five years, ROE exceeded 20%.

GOVERNMENT REGULATION AND OTHER MATTERS

Government and private sector initiatives to limit the growth of health care costs, including price regulation and competitive pricing, are continuing in several countries where the company does business, including the United States. These changes are causing the marketplace to put increased emphasis on the delivery of more cost-effective medical therapies. Although the company believes it is well positioned to respond to changes resulting from this worldwide trend toward cost containment, the uncertainty as to the outcome of any proposed legislation or changes in the marketplace preclude the company from predicting the impact these changes may have on future operating results.

The number of medical devices approved by the FDA for commercial release has decreased significantly in recent years due to more rigorous clinical evaluation requirements, increased enforcement actions, and more stringent product regulation by the FDA. Rigorous regulatory action may be taken in response to deficiencies noted in inspections or to product performance problems. The risks in the United States of lengthened introduction times for new products and additional expense have increased substantially. In addition, the requirements for postmarket surveillance and device tracking under the Safe Medical Devices Act continue to increase the expense of the regulatory process.

The U.S. Health Care Financing Agency, which determines Medicare reimbursement policy and practice, has changed its practice of reimbursing hospitals for procedures involving medical devices in clinical evaluation. This change in practice is causing hospitals to treat Medicare patients only with medical devices that have been cleared for commercial release by the FDA. This action has further limited the scope of clinical trials in the United States, is forcing more clinical research to non-U.S. markets, and is increasing the cost and time required to complete clinical evaluations in the United States.

Medtronic is also subject to various environmental laws and regulations both in the United States and abroad. The operations of the company, like those of other medical device companies, involve the use of substances regulated under environmental laws, primarily in manufacturing and sterilization processes. While it is difficult to quantify the potential impact of compliance with environmental protection laws, management believes that such compliance will not have a material impact on the company's financial position.

The company operates in an industry susceptible to significant product liability claims. Product liability claims may be asserted against the company in the future relative to events not known to management at the present time. Management believes that the company's risk management practices, including insurance coverage, are reasonably adequate to protect against potential product liability losses.

REPORT OF MANAGEMENT

The management of Medtronic, Inc., is responsible for the integrity of the financial information presented in the annual report. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles. Where necessary, they reflect estimates based on management's judgment.

Management relies upon established accounting procedures and related systems of internal control for meeting its responsibilities to maintain reliable financial records. These systems are designed to provide reasonable assurance that assets are safeguarded and that transactions are properly recorded and executed in accordance with management's intentions. Internal auditors periodically review the accounting and control systems, and these systems are revised if and when weaknesses or deficiencies are found.

The Audit Committee of the Board of Directors, composed of directors from outside the company, meets regularly with management, the company's internal auditors, and its independent accountants to discuss audit scope and results, internal control evaluations, and other accounting, reporting, and financial matters. The independent accountants and internal auditors have access to the Audit Committee without management's presence.

/s/ William W. George
William W. George
President and Chief Executive Officer

/s/ Arthur D. Collins, Jr.
Arthur D. Collins, Jr.
Chief Operating Officer

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

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and
Board of Directors of Medtronic, Inc.

In our opinion, the accompanying consolidated balance sheet and the related statements of consolidated earnings and consolidated cash flows present fairly, in all material respects, the financial position of Medtronic, Inc., and its subsidiaries at April 30, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended April 30, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ Price Waterhouse LLP
Price Waterhouse LLP
Minneapolis, Minnesota
May 22, 1995

STATEMENT OF CONSOLIDATED EARNINGS
(in thousands of dollars, except per share data) Medtronic, Inc.

Year ended April 30,	1995	1994	1993
NET SALES	$ 1,742,392	$ 1,390,922	$ 1,328,208
COSTS AND EXPENSES:			
Cost of products sold	540,080	431,668	420,132
Research and development expense	191,351	156,314	132,955
Selling, general, and administrative expense	574,624	470,266	480,006
Interest expense	9,007	8,208	10,448
Interest income	(14,775)	(8,373)	(8,791)
Gain on sale of subsidiary	--	(13,962)	--
Litigation settlement	--	--	(50,000)
Intangible asset amortization	--	--	18,000
Foundation commitment	--	--	12,000
TOTAL COSTS AND EXPENSES	1,300,287	1,044,121	1,014,750
EARNINGS BEFORE INCOME TAXES	442,105	346,801	313,458
PROVISION FOR INCOME TAXES	148,105	114,444	101,874
NET EARNINGS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	294,000	232,357	211,584
CUMULATIVE EFFECT OF ACCOUNTING CHANGES:			
Postretirement benefits (net of deferred taxes of $5,674)	--	--	(9,256)
Income taxes	--	--	(5,100)
NET EARNINGS	$ 294,000	$ 232,357	$ 197,228
WEIGHTED AVERAGE SHARES OUTSTANDING	115,240	114,808	118,832
EARNINGS PER SHARE:			
Earnings before cumulative effect of accounting change	$ 2.55	$ 2.02	$ 1.78
Cumulative effect of accounting changes	--	--	(0.12)
NET EARNINGS PER SHARE	$ 2.55	$ 2.02	$ 1.66

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(in thousands of dollars) Medtronic, Inc.

April 30,	1995	1994
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 98,292	$ 108,720
Short-term investments	225,357	72,694
Accounts receivable, less allowance for doubtful accounts of $22,416 and $20,123	413,942	340,927
Inventories:		
Finished goods	97,048	102,163
Work in process	59,311	50,751
Raw materials	65,573	60,384
Total Inventories	221,932	213,298
Prepaid income taxes	92,563	79,809
Prepaid expenses and other current assets	51,823	30,409
TOTAL CURRENT ASSETS	1,103,909	845,857
PROPERTY, PLANT, AND EQUIPMENT:		
Land and land improvements	17,920	16,624
Buildings and leasehold improvements	174,592	165,822
Equipment	501,134	409,050
Construction in progress	21,830	18,449
	715,476	609,945
Accumulated depreciation	(384,415)	(308,160)
Net Property, Plant, and Equipment	331,061	301,785
GOODWILL, net of accumulated amortization of $39,990 and $27,842	278,724	279,514
OTHER INTANGIBLE ASSETS, net of accumulated amortization of $31,482 and $21,042	84,622	87,724
OTHER ASSETS	148,416	108,372
TOTAL ASSETS	$ 1,946,732	$ 1,623,252

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings	$ 33,474	$ 58,173
Accounts payable--trade	25,369	32,673
Accounts payable--other	97,643	68,492
Acquisition price payable	--	39,130
Accrued compensation	67,193	53,537
Accrued income taxes	119,018	104,894
Other accrued expenses	113,432	82,545
TOTAL CURRENT LIABILITIES	456,129	439,444
LONG-TERM DEBT	14,200	20,232
DEFERRED INCOME TAXES	35,856	15,915
OTHER LONG-TERM LIABILITIES	105,534	94,169
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Preferred stock--par value $1.00; 2,500,000 shares authorized, none outstanding Common stock--par value $.10; 200,000,000 shares authorized, 115, 509, 425 and 116, 257, 428 shares issued and outstanding	11,551	11,626
Retained earnings	1,329,594	1,083,868
Cumulative translation adjustments	23,848	(9,702)
	1,364,993	1,085,792
Receivable from Employee Stock Ownership Plan	(29,980)	(32,300)
TOTAL SHAREHOLDERS' EQUITY	1,335,013	1,053,492
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,946,732	$ 1,623,252

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED CASH FLOWS
(in thousands of dollars)

Year ended April 30,	1995	1994	1993
OPERATING ACTIVITIES			
Net earnings	$ 294,000	$ 232,357	$ 197,228
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	106,502	78,577	69,625
Gain on sale of subsidiary, net of tax	--	(9,242)	--
Deferred income taxes	692	(3,150)	(11,141)
Changes in operating assets and liabilities:			
Increase in accounts receivable	(48,534)	(8,635)	(8,736)
Decrease (increase) in inventories	7,165	(8,087)	(14,660)
(Increase) decrease in prepaid expenses and other assets	(37,609)	8,954	(29,043)
Increase in accounts payable and accrued liabilities	62,103	18,137	30,779
Increase in accrued income taxes	7,931	37,653	3,697
(Decrease) increase in deferred income	(24,775)	400	20,450
(Decrease) increase in postretirement benefit accrual	(452)	2,156	16,623
Increase in other long-term liabilities	20,154	7,918	16,689
NET CASH PROVIDED BY OPERATING ACTIVITIES	387,177	356,856	291,511
INVESTING ACTIVITIES			
Additions to property, plant, and equipment	(96,862)	(60,799)	(77,077)
Acquisitions, net of cash acquired	--	(189,440)	(18,668)
Proceeds from sale of subsidiary	--	21,000	--
Sales of marketable securities	158,462	92,985	12,133
Purchases of marketable securities	(289,235)	(109,346)	(72,616)
Other investing activities	(12,361)	(12,463)	(6,558)
NET CASH USED IN INVESTING ACTIVITIES	(239,996)	(258,063)	(162,786)
FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	(29,270)	(28,285)	591
(Decrease) increase in long-term debt	(6,885)	(8,199)	5,618
(Decrease) increase in acquisition price payable	(39,130)	45,630	--
Dividends to shareholders	(47,226)	(38,985)	(33,337)
Repurchase of common stock	(59,079)	(53,423)	(142,919)
Issuance of common stock	21,874	16,339	17,408
NET CASH USED IN FINANCING ACTIVITIES	(159,716)	(66,923)	(152,639)
Effect of exchange rate changes on cash and cash equivalents	2,107	(144)	92
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,428)	31,726	(23,822)
Cash and cash equivalents at beginning of year	108,720	76,994	100,816
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 98,292	$ 108,720	$ 76,994
SUPPLEMENTAL CASH FLOW INFORMATION CASH PAID DURING THE YEAR FOR:			
Income taxes	$ 131,731	$ 73,858	$ 110,864
Interest	9,249	8,346	10,769

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of dollars, except per share data) Medtronic, Inc.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION
The consolidated financial statements include the accounts of Medtronic, Inc., and all of its subsidiaries. All significant intercompany transactions and accounts have been eliminated. Certain prior period amounts have been reclassified to conform to the 1995 presentation.

CASH EQUIVALENTS
The company considers temporary cash investments with maturities of three months or less from the date of purchase to be cash equivalents.

INVENTORIES
Inventories are stated at the lower of cost or market, with cost determined on a first-in, first-out basis.

PROPERTY, PLANT, AND EQUIPMENT
Property, plant, and equipment is stated at cost. Additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the various assets.

GOODWILL AND OTHER INTANGIBLE ASSETS
Goodwill represents the excess of cost over net assets of businesses acquired, while other intangible assets consist primarily of purchased technology and patents. These assets are being amortized using the straight-line method over their estimated useful lives, of which periods up to 25 years remain.

FOREIGN CURRENCY TRANSLATION
Essentially all assets and liabilities are translated to U.S. dollars at year-end exchange rates, while elements of the income statement are translated at average exchange rates in effect during the year. Adjustments arising from the translation of most net assets located outside the United States are recorded as a component of shareholders' equity.

ROYALTY INCOME
Income earned from royalty and license agreements is recorded as a reduction of selling, general, and administrative expense.

EARNINGS PER SHARE
Earnings per share of common stock are computed by dividing net income by the weighted average number of shares outstanding during the period.

NOTE 2--ACQUISITIONS AND DIVESTITURES

ACQUISITIONS
On March 17, 1994, the company acquired substantially all of the assets and liabilities of DLP, Inc., for approximately $128.3 million in cash. DLP is the market leader in the development, manufacture, and sale of cannula products used in heart surgery.

On April 25, 1994, the company acquired all of the outstanding shares of Electromedics, Inc., for approximately $95.3 million. The purchase price consisted of approximately $39.1 million payable in cash and approximately 1,555,000 shares of the company's common stock valued at $56.2 million. Electromedics designs, manufactures, and markets blood management and blood conservation equipment for use in autotransfusion during major medical procedures.

On April 29, 1994, the company acquired all of the remaining outstanding common stock of Carbon Implants, Inc., an innovator in the design and manufacturing of

implantable prosthetic heart valves. The total purchase price was approximately $34.6 million.

The acquisitions of DLP, Electromedics, and Carbon Implants were accounted for as purchases. Accordingly, the results of operations of the acquired entities have been included in the company's consolidated financial statements since the respective dates of acquisition. Acquired goodwill, patents, trademarks, and other intangible assets associated with these acquisitions are being amortized using the straight-line method over periods ranging from 8 to 25 years.

In May 1992, the company acquired all of the outstanding capital stock of CardioRhythm, a manufacturer of electrophysiological catheters used for the diagnosis and treatment of cardiac arrhythmias. The initial price paid of $20.0 million was accounted for as a purchase and the results of operations have been included in the company's consolidated financial statements since the date of acquisition. In 1994, the company made additional payments of $6.5 million to settle substantially all remaining obligations existing at the acquisition date. These payments were recorded as additions to the initial price of the acquisition.

DIVESTITURES

In July 1993, the company sold substantially all the assets of its Andover Medical, Inc., subsidiary for $21.0 million, recognizing a pretax gain of $14.0 million. Andover Medical developed, manufactured, and marketed external electrodes used primarily with electrical nerve stimulation and neuromuscular stimulation devices. Exclusive of the gain recognized, this transaction did not have a significant impact on the company's operating results.

In November 1992, the company sold substantially all the assets of its Nortech business, excluding accounts receivable. Nortech developed, manufactured, and marketed transcutaneous electrical nerve stimulation and neuromuscular stimulation devices for pain control and muscle rehabilitation. During 1993, intangible asset amortization of $18.0 million was recorded, a significant portion of which related to the Nortech business.

In February 1993, the company sold all the assets of its CardioCare division. CardioCare was in the business of telephonic pacemaker monitoring. This transaction did not have a significant impact on the company's operating results.

NOTE 3--FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of the company's significant financial instruments were as follows:

April 30,	1995		1994	
	CARRYING AMOUNT	FAIR VALUE	Carrying Amount	Fair Value
Assets				
Short-term investments	$225,357	$226,031	$ 72,694	$ 72,694
Long-term investments and notes receivable	108,404	108,404	76,280	91,746
Purchased currency options	-	-	907	210
Liabilities				
Short-term debt	33,474	33,474	58,173	58,173
Long-term debt	14,200	15,427	20,232	20,981
Forward exchange contracts	29,293	29,293	12,205	12,205

The fair value of cash and cash equivalents, receivables, and short-term debt approximate their carrying value due to their short maturities. The fair value of certain short-term and long-term investments are based on quoted market prices for those or similar investments. For long-term investments which have no quoted market prices, a reasonable estimate of fair value was made using available market information and appropriate valuation techniques. The fair value of long-term debt is based on the current rates offered to the company for debt of similar maturities. The estimates presented above on long-term financial instruments are not necessarily indicative of the amounts that would be realized in a current market exchange. The fair value of forward exchange contracts were

estimated based on quoted market prices at April 30, 1995 and 1994.

On May 1, 1994 the company adopted Statement of Financial Accounting Standard (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." SFAS No. 115 requires that all investments in debt securities and investments in equity securities that have readily determinable fair values be classified and accounted for in one of three categories: held-to-maturity, trading, or available-for-sale. Held-to-maturity securities are recorded at amortized cost in short-term investments and other assets. Trading securities are recorded at fair value in short-term investments with the change in fair value during the period included in earnings. Available-for-sale securities are recorded at fair value in short-term investments or other assets with the change in fair value during the period excluded from earnings and recorded net of tax as a component of stockholders' equity. Prior to May 1, 1994, investments were recorded at the lower of cost or market. Adoption of this statement did not materially impact the company's financial position and had no impact on operating results.

At April 30, 1995, available-for-sale investments included only equity securities with a cost of $19,469 and a fair value of $63,687. Gross unrealized gains and losses amounted to $48,233 and $4,015, respectively. At April 30, 1995, the net unrealized gain associated with available-for-sale securities of $28,742, net of tax of $15,476, was included in retained earnings. There were no sales of available-for-sale securities during 1995. Held-to-maturity investments at April 30, 1995 consisted primarily of U.S. government and corporate debt securities, all of which mature within three years. These securities were carried at amortized cost of $232,042 and have a fair value of $232,716.

FOREIGN CURRENCY INSTRUMENTS

A significant portion of the company's cash flows is derived from sales denominated in foreign currencies. To the extent that the U.S. dollar value of sales denominated in foreign currencies fluctuates as a result of a strengthening or weakening dollar, the company's ability to fund dollar-based strategic initiatives at a consistent level may be impaired. In order to reduce the uncertainty of foreign exchange rate movements on sales denominated in foreign currencies, the company enters into forward exchange and option contracts with major international financial institutions. These forward and option contracts, which typically expire within one year, are designed to hedge anticipated foreign currency transactions. Such transactions, primarily export intercompany sales, occur throughout the year and are probable but not firmly committed.

The company had contracts to exchange foreign currencies, principally the Japanese Yen and German Mark, for U.S. dollars in the following notional amounts:

April 30,	1995	1994
Forward exchange contracts	$431,504	$371,672
Foreign currency put options	-	66,875

The company had aggregate foreign currency transaction losses, primarily related to forward contracts, of $57,715, $10,025, and $22,240 in 1995, 1994, and 1993, respectively. Realized losses on these contracts were offset by the assets, liabilities, and transactions being hedged. Forward contracts in existence at the balance sheet date are recorded at their fair value. Gains and losses on forward contracts are recorded in selling, general, and administrative expense.

CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the company to significant concentrations of credit risk, consist principally of cash investments, foreign currency exchange contracts, and trade accounts receivable.

The company maintains cash and cash equivalents, investments, and certain other financial instruments with various major financial institutions. The company performs periodic evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any institution.

Concentrations of credit risk with respect to trade accounts receivable are limited due to the large number of customers and their dispersion across many geographic areas. However, a significant amount of trade receivables are with national health care systems in several countries. Although the company does not currently foresee a credit risk associated with these receivables, repayment is dependent upon the financial stability of those countries' national economies.

NOTE 4--DEBT

Debt consisted of the following at April 30:

Short-Term Debt	Average Interest Rate	1995	1994
Bank borrowings	4.0%	$30,819	$55,406
Current Portion of Long-term debt	7.2%	2,655	2,767
Total Short-Term Debt		$33,474	$58,173

Long-Term Debt	Average Interest Rate	Maturity Date	1995	1994
Various Notes	6.4%	1995-2007	$10,207	$16,780
Capitalized lease Obligations	9.9%	1995-2009	3,993	3,452
Total Long-Term Debt			$14,200	$20,232

Short-term borrowings consisted primarily of non-U.S. bank borrowings used for foreign exchange purposes. The company has existing lines of credit of $531 million with various banks, of which $501 million was unused at April 30, 1995. Maturities of long-term debt for the next five years are as follows: 1996, $2,654; 1997, $2,471; 1998, $2,606; 1999, $2,212; 2000, $1,923; thereafter, $4,988.

NOTE 5--SHAREHOLDERS' EQUITY

Changes in shareholders' equity accounts were as follows:

	Common Stock	Retained Earnings	Cumulative Translation Adjustments	Receivable from ESOP
Balance, April 30, 1992	$ 5,943	$ 824,172	$ 2,290	$ (35,950)
Net earnings		197,228		
Dividends paid		(33,337)		
Issuance of common stock under employee benefit and incentive plans	53	17,355		
Repurchase of common stock	(214)	(142,705)		
Income tax benefit from restricted stock and nonstatutory stock options		7,590		
Translation adjustments			(3,347)	
Repayment from ESOP				2,400
Balance, April 30, 1993	$ 5,782	$ 870,303	$ (1,057)	$ (33,550)
Net earnings		232,357		
Dividends paid		(38,985)		
Issuance of common stock under employee benefit and incentive plans	39	16,300		
Issuance of common stock in acquisition of subsidiary	78	56,099		
Repurchase of common stock	(86)	(53,337)		
Income tax benefit from restricted stock and nonstatutory stock options		6,944		
Translation adjustments			(8,645)	
Repayment from ESOP				1,250
Balance, April 30, 1994	$ 5,813	$ 1,089,681	$ (9,702)	$ (32,300)
Net earnings		294,000		
Dividends paid		(47,226)		
Two-for-one stock split	5,745	(5,745)		
Issuance of common stock under employee benefit and incentive plans	70	21,804		

Repurchase of common stock	(77)	(59,002)			
Unrealized gain on investments, net of tax		28,742			
Income tax benefit from restricted stock and nonstatutory stock options		7,340			
Translation adjustments				33,550	
Repayment from ESOP					2,320
Balance, April 30, 1995	$ 11,551	$ 1,329,594	$ 23,848	$	(29,980)

At April 30, 1995, Board of Directors' authorization existed to repurchase approximately 7.4 million shares of the company's common stock.

On August 31, 1994, the Board of Directors approved a two-for-one common stock split, paid September 30, 1994 in the form of a 100 percent stock dividend to shareholders of record at the close of business on September 15, 1994. The stock split resulted in the issuance of 57,452 thousand additional shares and the reclass of $5,745 from retained earnings to common stock, representing the par value of the shares issued. All references in the financial statements to per share information, number of shares, except shares authorized, and related share prices have been restated to reflect the stock split.

A shareholder rights plan exists which provides for a dividend distribution of one right to be attached to each share of common stock. The rights are currently not exercisable or transferable apart from the common stock. The basic right entitles the holder to purchase one four-hundredth of a share of a new series of participating preferred stock, which is substantially equivalent to one share of common stock, at an exercise price of $150 per share. These rights would become exercisable if a person or group acquires 15% or more of the company's common stock or announces a tender offer which would increase the person's or group's beneficial ownership to 15% or more of the company's common stock, subject to certain exceptions. After the rights become exercisable, each right entitles the holder, instead, to purchase common stock having a market value of two times the exercise price. If the company is acquired in a merger or other business combination transaction, each exercisable right entitles the holder to purchase common stock of the acquiring company having a market value of two times the exercise price of the right. In certain events the Board of Directors may exchange rights for common stock or equivalent securities having a market price equal to the exercise price of the rights. Each right is redeemable at $.0025 any time before a person or group triggers the 15% ownership threshold. The rights expire on July 10, 2001.

NOTE 6--EMPLOYEE STOCK OWNERSHIP PLAN

The company has an Employee Stock Ownership Plan (ESOP) for eligible U.S. employees. In December 1989, the ESOP borrowed $40,000 from the company and used the proceeds to purchase 2,366,616 shares of the company's common stock. The company makes annual contributions to the plan which are used, in part, by the ESOP to make loan and interest payments. Expenses related to the ESOP are based on debt service requirements less any dividends received by the ESOP on the company's common stock. This amount is further adjusted by any additional company contribution necessary to meet an annual targeted benefit level. Compensation and interest expense recognized were as follows:

Year ended April 30,	1995	1994	1993
Interest expense	$2,907	$3,020	$3,235
Dividends paid	992	811	667
Net interest expense	1,915	2,209	2,568
Compensation expense	2,327	3,588	4,802
Total expense	$4,242	$5,797	$7,370

Shares of common stock acquired by the plan are allocated to each employee in amounts based on company performance and the employee's annual compensation. At April 30, 1995 and 1994, allocated shares were 702,542 and 543,126, respectively, shares committed-to-be released were 152,710 and 124,542, respectively, and unallocated shares were 1,717,056 and 1,841,598, respectively. Unallocated shares are released based on the ratio of current debt service to total remaining principle and interest. The loan from the company to the ESOP is repayable over 20 years, ending on April 30, 2010. Interest is payable annually

at a rate of 9.0%. The receivable from the ESOP is recorded as a reduction of the company's shareholders' equity and allocated and unallocated shares of the ESOP are treated as outstanding common stock in the computation of earnings per share.

NOTE 7--STOCK PURCHASE AND AWARD PLANS

1994 STOCK AWARD PLAN
Effective April 29, 1994, the Board of Directors and shareholders approved the 1994 stock award plan which replaced the stock option, stock award, and non-employee director restricted stock plans. The 1994 stock award plan provides for the grant of nonqualified and incentive stock options, stock appreciation rights, performance shares, restricted stock in lieu of the annual retainer to non-employee directors, and other stock-based awards. There were 4,916,266 shares available under this plan for future grants at April 30, 1995.

Under the provisions of the 1994 stock award plan, nonqualified stock options and other stock awards are granted to officers and key employees at prices not less than fair market value at the date of grant. In addition, awards granted under the previous nonqualified stock option and stock award plans remain outstanding though no additional awards will be made under these plans.
A summary of option transactions in 1995 follows:

	Option Price Range Per Share	Number of Shares	Expiration Date
NONQUALIFIED OPTIONS			
Outstanding at beginning of year	$ 3.34-$49.00	3,185,830	1995-2004
Granted	37.88- 70.00	479,675	2000-2005
Exercised	3.34- 53.00	368,421	1995-2005
Cancelled	15.06- 53.00	41,942	2000-2005
Outstanding at end of year	5.34- 70.00	3,255,142	1996-2005
Exercisable at end of year	5.34- 53.00	1,842,079	1996-2005

Nonqualified options are generally exercisable beginning one year from the date of grant in cumulative yearly amounts of 25 percent of the shares under option.

Restricted stock and performance share awards are dependent upon continued employment and, in the case of performance shares, achievement of certain performance objectives. In 1995, 111,514 restricted shares were issued and 37,766 performance shares were awarded. At April 30, 1995, total restricted shares outstanding under both the 1994 stock award plan and the previous restricted stock and performance share award plan were 621,163. Performance share awards for up to 253,228 shares, assuming maximum performance payout, were outstanding under the two plans at April 30, 1995. The actual number of performance shares awarded may vary depending on the degree to which the performance objectives are met. The cost of the restricted stock is generally expensed over five years from the date of issuance ($3,797 in 1995, $4,205 in 1994, and $3,763 in 1993). The estimated cost of the performance shares is expensed over three years from the date of grant ($8,840 in 1995, $3,131 in 1994, and $3,387 in 1993).

STOCK PURCHASE PLAN
The stock purchase plan enables employees to contribute up to 10% of their wages toward purchase of the company's common stock at 85% of the market value. Employees purchased 388,140 shares at $31.72 per share in 1995. As of April 30, 1995, plan participants have had approximately $9,228 withheld to purchase shares at a price of $44.20 per share, or 85% of the market value of the company's common stock at October 31, 1995, whichever is less.

Common stock to be issued under all outstanding grants persuant to the 1994 stock award plan, the stock purchase plan, and the previous individual stock option and award plans would not have a material dilutive effect on reported earnings per share.

NOTE 8--INCOME TAXES

The company accounts for income taxes in accordance with Statement of Financial Accounting Standard (SFAS) No. 109, "Accounting for Income Taxes," which was adopted in 1993 on a prospective basis. The asset and liability approach used in SFAS No. 109 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of other assets and liabilities. Adoption of SFAS No. 109 resulted in a one-time charge to earnings of $5,100, which primarily represents the impact of adjusting net deferred tax assets to reflect current tax rates as opposed to overall higher tax rates in effect when the net deferred tax assets originated.

The provision for income taxes is based on earnings before income taxes reported for financial statement purposes. The components of earnings before income taxes were:

Year ended April 30,	1995	1994	1993
United States	$356,758	$279,220	$275,047
Non-U.S.	85,347	67,581	38,411
Earnings before income taxes	$442,105	$346,801	$313,458

The provision for income taxes consisted of:

Year ended April 30,	1995	1994	1993
Taxes currently payable:			
U.S. federal	$ 80,023	$ 64,840	$ 70,402
U.S. state and other	22,297	21,268	18,919
Non-U.S.	45,717	29,859	26,039
Total currently payable	148,037	115,967	115,360
Deferred tax (benefit) expense:			
U.S. federal	(1,955)	(7,049)	(17,129)
U.S. state and other	2,755	(2,459)	397
Non-U.S.	(9,925)	1,539	(7,257)
Net deferred tax benefit	(9,125)	(7,969)	(23,989)
Tax expense credited directly to shareholders' equity	9,193	6,446	10,503
Total provision	$ 148,105	$ 114,444	$ 101,874

Deferred tax assets (liabilities) were comprised of the following:

April 30,	1995	1994
Deferred tax assets:		
Inventory (Intercompany profit in inventory and excess of tax over book valuation)	$ 69,836	$ 56,375
Deferred income	--	5,250
Accrued liabilities	37,526	40,133
Other	7,528	10,594
Total deferred tax assets	114,890	112,352
April 30,	1995	1994
Deferred tax liabilities:		
Intangible assets	(17,264)	(17,823)
Undistributed earnings of subsidiaries	(11,787)	(8,846)
Accumulated depreciation	(13,301)	(14,819)
Unrealized gain on investments	(15,476)	--
Other	(355)	(6,970)
Total deferred tax liabilities	(58,183)	(48,458)
Net deferred tax assets	$ 56,707	$ 63,894

The company's effective income tax rate varied from the U.S. federal statutory tax rate as follows:

Year ended April 30,	1995	1994	1993
U.S. federal statutory tax rate	35.0%	35.0%	34.0%
Increase (decrease) in tax rate resulting from:			
U.S. state taxes, net of federal tax benefit	2.2	2.5	2.7
Tax benefits from operations in Puerto Rico	(4.2)	(8.2)	(8.5)
Non-U.S. taxes	1.5	1.7	1.9
Other, net	(1.0)	2.0	2.4

Effective tax rate	33.5%	33.0%	32.5%

Taxes are not provided on undistributed earnings of non-U.S. and Puerto Rican subsidiaries because such earnings are either permanently reinvested or do not exceed available foreign tax credits. Current U.S. tax regulations provide that earnings of the company's manufacturing subsidiaries in Puerto Rico may be repatriated tax free; however, the Commonwealth of Puerto Rico will assess a tax of up to 10% in the event of repatriation of earnings prior to liquidation. The company has provided for the anticipated tax attributable to earnings intended for dividend repatriation. At April 30, 1995, earnings permanently reinvested in subsidiaries outside the United States were $117,049. It is not practical to estimate the amount of taxes that might be payable on these foreign earnings.

At April 30, 1995, approximately $4,267 of non-U.S. tax losses were available for carryforward. These carryforwards are subject to adequate valuation allowances and generally expire within a period of one to five years.

NOTE 9--RETIREMENT BENEFIT PLANS

The company has various retirement benefit plans covering substantially all U.S. employees and many employees outside the United States. The cost of these plans was $28,483 in 1995, $20,208 in 1994 and $17,611 in 1993.

DEFINED BENEFIT PLAN (UNITED STATES)
In the United States, the company maintains a qualified pension plan designed to provide guaranteed minimum retirement benefits to substantially all U.S. employees. Plan benefits are calculated using a combination of years of service, final average earnings, primary social security benefits, and age. It is the company's policy to fund retirement costs within the limits of allowable tax deductions. Contributions to the plan were $13,784, $5,075 and $2,871 in 1995, 1994, and 1993, respectively. Plan assets consist of a diversified portfolio of fixed-income

investments, equity securities, and cash equivalents. Plan assets include investments in the company's common stock of $11,900 and $6,020 at April 30, 1995 and 1994, respectively.

Net pension cost for the U.S. plan included the following components:

Year ended April 30,	1995	1994	1993
Service cost--benefits earned during the year	$ 6,391	$ 5,795	$ 4,370
Interest cost on projected benefit obligation	5,680	5,222	4,013
Return on assets	(9,775)	(7,218)	(7,556)
Net amortization and deferral	2,155	819	2,009
Net pension cost	$ 4,451	$ 4,618	$ 2,836

The funded status of the U.S. plan was as follows:

April 30,	1995	1994
Actuarial present value of benefit obligation:		
Vested benefits	$(49,913)	$(45,787)
Nonvested benefits	(6,673)	(5,741)
Accumulated benefit obligation	(56,586)	(51,528)
Excess of projected benefit obligation over accumulated benefit obligation	(25,852)	(23,181)
Projected benefit obligation	(82,438)	(74,709)
Plan assets at fair value	95,468	73,160
Plan assets in excess (less than) of projected benefit obligation	13,030	(1,549)
Unrecognized May 1, 1986, net asset	(1,632)	(2,833)
Unrecognized net actuarial loss	5,593	8,130
Unrecognized prior service cost	(564)	1,615
Net prepaid pension cost	$ 16,427	$ 5,363

The actuarial assumptions were as follows:

Year ended April, 30	1995	1994	1993
Discount rate	8.0%	7.5%	8.5%
Expected long-term return on assets	9.0%	9.0%	9.0%
Average increase in compensation	5.0%	5.5%	6.0%

In addition to the benefits provided under the qualified pension plan, retirement benefits associated with wages in excess of the IRS allowable wages are provided to certain employees under non-qualified plans. Prior to 1995, the net periodic cost and accrued liability associated with these non-qualified plans was not material. However, the Omnibus Budget Reconciliation Act of 1993 significantly reduced the qualified wage limit which resulted in an increase in benefits under non-qualified plans. The net periodic cost of non-qualified pension plans was $989 in 1995. The unfunded accrued pension cost totaled $4,045 at April 30, 1995.

DEFINED BENEFIT PLANS (NON-U.S.)
Retirement coverage for non-U.S. employees of the company is provided, to the extent deemed appropriate, through separate plans. Funding policies are based on local statutes. Retirement benefits are based on years of service, final average earnings, and social security benefits.

Net pension cost for the non-U.S. plans included the following components:

Year ended April 30,	1995	1994	1993
Service cost--benefits earned during the year	$ 2,032	$ 1,374	$ 1,840
Interest cost on projected benefit obligation	666	268	249
Return on assets	(27)	(26)	(19)
Net amortization and deferral	135	49	(17)
Net pension cost	$ 2,806	$ 1,665	$ 2,053

In certain countries, the funding of pension plans is not a common practice as funding provides no economic benefit. Consequently, the company has pension plans which are underfunded. The following table sets forth the funded status of the non-U.S. plans:

April 30,	1995	1994
Actuarial present value of benefit obligation:		
Vested benefits	$ (7,619)	$ (6,485)
Nonvested benefits	(642)	(581)
Accumulated benefit obligation	(8,261)	(7,066)
Excess of projected benefit obligation over accumulated benefit obligation	(13,943)	(1,133)
Projected benefit obligation	(22,204)	(8,199)
Plan assets at fair value	579	555
Projected benefit obligation in excess of plan assets	(21,625)	(7,644)
Unrecognized May 1, 1994 net obligation	11,647	98
Unrecognized net actuarial loss	1,386	914
Net accrued pension liability	$ (8,592)	$ (6,632)

The range of assumptions for the non-U.S. plans, reflecting the different economic environments within the various countries, were as follows:

Years ended April 30,	1995	1994	1993
Discount rate	6.5%-8.5%	6.5%-8.5%	8.5%
Expected long-term return on assets	8.5%	8.5%	8.5%
Average increase in compensation	3.0%-4.5%	4.5%	5.5%

DEFINED CONTRIBUTION PLANS
The company has defined contribution savings plans that cover substantially all U.S. employees and certain non-U.S. employees. The purpose of these plans is generally to provide additional financial security during retirement by providing employees with an incentive to make regular savings. Company contributions to the plans are based on employee contributions and company performance. Expense under the plans was $15,452 in 1995, $10,402 in 1994 and $9,453 in 1993.

RETIREE HEALTH CARE BENEFITS
U.S. employees of the company are currently eligible to receive specified company-paid health care and life insurance benefits during retirement based on their age and years of service. The health care benefits include cost-sharing features based on years of service and retirement age. The life insurance plans

require minimum retiree contributions.

The company adopted Statement of Financial Accounting Standard (SFAS) No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," for U.S. plans in 1993. SFAS No. 106 requires the company to recognize expense as employees earn postretirement benefits, rather than on the cash basis. The company chose to immediately recognize the transition obligation, which is the cost of postretirement benefits earned as of May 1, 1992, by employees and retirees. This resulted in a one-time charge in 1993 of $14,930, which was recorded net of $5,674 in deferred income taxes.

The net postretirement benefit cost of U.S. plans, exclusive of the transition obligation in 1993, included the following components:

Year ended April 30,	1995	1994	1993
Service cost-benefits earned during the year	$ 1,446	$ 1,049	$ 785
Interest cost on accumulated benefit obligation	1,425	1,440	1,254
Return on assets	(255)	--	--
Net amortization and deferral	299	(243)	--
Postretirement benefit cost	$ 2,915	$ 2,246	$ 2,039

The company's policy has been to fund the cost of postretirement benefits as they are paid. In 1995, the company also began funding a trust within the limits of allowable tax deductions for the cost of these benefits. The funded status of the U.S. plans was as follows:

Year ended April 30,	1995	1994
Actuarial present value of postretirement benefit obligation:		
Retirees	$ (6,251)	$ (5,787)
Other fully eligible participants	(4,341)	(4,769)
Other active plan participants	(14,179)	(11,752)
	(24,771)	(22,308)
Plan assets at fair value	2,925	--
Unrecognized net loss	3,320	3,330
Net accrued postretirement benefit liability	$(18,526)	$(18,978)

The actuarial assumptions were as follows:

Year ended April, 30	1995	1994	1993
Discount rate	8.0%	7.5%	8.5%
Expected long-term return on assets	9.0%	--	--
Health care cost trend rate	10.0%	12.0%	12.0%

The health care cost trend rate is assumed to decrease gradually to 6% by 2003. Based on current estimates, increasing the health care cost trend rate by one percentage point each year would increase the accumulated postretirement benefit obligation by $2,587 and the annual postretirement benefit cost by $418.

The company must adopt SFAS No. 106 for non-U.S. plans in 1996. However, adoption of SFAS No. 106 for these plans will not have a material impact on the company's financial position.

NOTE 10--LEASES

The company leases offices, manufacturing and research facilities, and warehouses, as well as transportation, data processing, and other equipment, under capital and operating leases. A substantial number of these leases contain options that allow the company to renew at the then fair rental value.

Future minimum payments under capitalized leases and noncancellable operating leases at April 30, 1995, were:

	Capitalized Leases	Operating Leases
1996	$ 960	$ 19,347
1997	635	14,290

1998	646	10,089
1999	517	6,655
2000	490	5,694
2001 and thereafter	3,898	9,030
Total minimum lease payments	7,146	$ 65,105
Less amounts representing interest	2,546	
Present value of net minimum lease payments	$ 4,600	

Rent expense for all operating leases was $22,366 in 1995, $18,510 in 1994 and $21,555 in 1993.

NOTE 11--LITIGATION SETTLEMENT

In September 1992, the company and Siemens AG settled all ongoing patent litigation between the companies and cross-licensed all existing patents covering cardiac stimulation devices. Siemens made an initial payment of $50.0 million to Medtronic and made ongoing royalty payments, based on Siemens' worldwide sales of all cardiac stimulation devices through September 1994. Medtronic does not pay royalties for the cross-license received from Siemens. In addition to the initial payment, which was recognized as income in 1993, Siemens made a $25.0 million contingent prepayment against future royalties. The prepayment was recognized as income when earned. As of April 30, 1995, the prepayment had been fully recognized.

In September 1994, St. Jude Medical, Inc. acquired Siemens Pacesetter, the worldwide cardiac rhythm management business of Siemens AG. Under terms of the prior litigation settlement with Siemens AG, St. Jude will make ongoing royalty payments for approximately 10 years based on Pacesetters' worldwide sales of all cardiac stimulation devices.

NOTE 12--COMMITMENTS AND CONTINGENCIES

The company is involved in litigation and disputes which are normal to its business. Management believes losses that might eventually be sustained from such litigation and disputes would not be material to future years. Further, product liability claims may be asserted in the future relative to events not known to management at the present time. Management believes that the company's risk management practices, including insurance coverage, are reasonably adequate to protect against potential product liability losses.

The Medtronic Foundation, funded entirely by the company, was established to maintain good corporate citizenship in its communities. In 1993, the company made a commitment to contribute $12,000 over a five-year period ending September 30, 1997. At April 30, 1995, the remaining balance of this commitment was $7,465. Commitments to the Medtronic Foundation are expensed when authorized and approved by the company's Board of Directors.

NOTE 13--QUARTERLY FINANCIAL DATA (UNAUDITED, IN MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Net Sales					
1995	$403.8	$408.2	$413.7	$516.7	$1,742.4
1994	331.3	332.1	334.6	393.02	1,390.9
Gross Profit					
1995	277.4	280.4	284.5	360.0	1,202.3
1994	230.0	227.5	231.4	270.4	959.2
Net Earnings					
1995	65.1	69.7	71.4	87.8	294.0
1994	52.5	56.2	56.9	66.7	232.4
Earnings per Share:					
1995	.56	.61	.62	.76	2.55
1994	.45	.49	.50	.58	2.02

Quarterly and annual earnings per share are calculated independently based on the weighted average number of shares outstanding during the period.

NOTE 14--SEGMENT REPORTING

The company operates in a single industry segment--providing medical products and services. For management purposes, the company is segmented into three geographic areas--the Americas, Europe/Middle East/Africa (Europe), and Asia/Pacific markets. The geographic areas are, to a significant degree, interdependent with respect to research, product supply, and business expertise. Sales between geographic areas are made at prices which would approximate transfers to unaffiliated distributors. In the presentation below, the profit derived from such transfers is attributed to the area in which the sale to the unaffiliated customer is eventually made. Because of the interdependence of the geographic areas, the operating profit as presented may not be representative of the geographic distribution which would occur if the areas were not interdependent. In addition, comparison of operating results between geographic areas and between years may be significantly impacted by foreign currency fluctuations.

GEOGRAPHIC AREA INFORMATION

	United States	Europe	Asia Pacific	Other Americas	Elimi-nations	Consoli-dated
1995						
Sales to unaffiliated customers	$ 976,589	$ 505,914	$ 212,725	$ 47,164	$ --	$ 1,742,392
Intergeographic sales	132,105	52,002	--	3,020	(187,127)	--
Total sales	1,108,694	557,916	212,725	50,184	(187,127)	1,742,392
Operating profit	287,824	106,243	91,046	4,746		489,859
Nonoperating expense						(47,754)
Earnings before income taxes						442,105
Identifiable assets	1,206,912	308,579	149,394	30,515	(123,220)	1,572,180
Corporate assets						374,552
Total assets						$ 1,946,732
1994						
Sales to unaffiliated customers	$ 800,391	$ 386,009	$ 161,279	$ 43,243	$ --	$ 1,390,922
Intergeographic sales	163,905	18,710	--	309	(182,924)	--
Total sales	964,296	404,719	161,279	43,552	(182,924)	1,390,922
Operating profit	244,638	53,512	63,389	4,177	--	365,716
Nonoperating expense						(18,915)
Earnings before income taxes						346,801
Identifiable assets	1,103,222	276,047	103,247	25,604	(94,858)	1,413,262
Corporate assets						209,990
Total assets						$ 1,623,252
1993						
Sales to unaffiliated customers	$ 770,655	$ 392,894	$ 126,005	$ 38,654	--	$ 1,328,208
Intergeographic sales	142,750	19,370	--	147	(162,267)	--
Total sales	913,405	412,264	126,005	38,801	(162,267)	1,328,208
Operating profit	258,170	62,269	45,910	769	--	367,118
Nonoperating expense						(53,660)
Earnings before income taxes						313,458
Identifiable assets	818,898	287,048	80,867	20,258	(82,541)	1,124,530
Corporate assets						167,950
Total assets						$ 1,292,480

Nonoperating expense includes interest income, interest expense, currency

exchange gains and losses, and certain corporate general and administrative expenses. Intergeographic sales and the intergeographic profit remaining in ending inventories are the principal items reflected as eliminations.

SELECTED FINANCIAL DATA
(in millions of dollars, except per share data) Medtronic, Inc.

	1995	1994	1993	1992	1991	1990
OPERATING RESULTS FOR THE YEAR:						
Net sales	$1,742.4	$1,390.9	$1,328.2	$1,176.9	$1,021.4	$865.9
Cost of products sold	540.1	431.7	420.1	381.8	331.7	281.7
Research and development expense	191.4	156.3	133.0	109.2	89.5	81.5
Selling, general, and administrative expense	574.6	456.3*	460.0*	439.9	399.9*	331.3*
Interest expense	9.0	8.2	10.4	13.4	13.8	10.1
Interest income	(14.8)	(8.4)	(8.8)	(10.3)	(9.7)	(6.2)
Earnings from continuing operations before income taxes	442.1	346.8	313.5	242.9	196.2	167.5
Provision for income taxes	148.1	114.4	101.9	81.4	62.9	54.6
Earnings from continuing operations	294.0	232.4	211.6	161.5	133.4	112.9
Discontinued operations and cumulative effect of accounting changes (net)	--	--	(14.4)	--	--	--
Net earnings	$ 294.0	$ 232.4	$ 197.2	$ 161.5	$ 133.4	$112.9
Net earnings as a percent of net sales	16.9%	16.7%	14.8%	13.7%	13.1%	13.0%
Net earnings as a percent of average shareholders' equity	24.6%	24.5%	24.1%	21.8%	21.4%	21.3%
Per share of common stock:						
Earnings from continuing operations before cumulative effects of accounting changes	$ 2.55	$ 2.02	$ 1.78	$ 1.36	$ 1.12	$ .96
Net earnings	2.55	2.02	1.66	1.36	1.12	.96
Cash dividends declared	.41	.34	.28	.24	.21	.18
Gross margin percentage	69.0%	69.0%	68.4%	67.6%	67.5%	67.5%
Financial Position at April 30:						
Working capital	$ 647.8	$ 406.4	$ 426.6	$ 387.3	$ 320.1	$240.4
Current ratio	2.4:1	1.9:1	2.2:1	2.3:1	2.1:1	1.9:1
Property, plant, and equipment, net	331.1	301.8	282.8	256.8	217.2	183.6
Total assets	1,946.7	1,623.3	1,292.5	1,163.5	1,024.1	885.3
Long-term debt	14.2	20.2	10.9	8.6	7.9	8.0
Long-term debt as a percent of shareholders' equity	1.1%	1.9%	1.3%	1.1%	1.2%	1.4%
Shareholders' equity	1,335.0	1,053.5	841.5	796.5	683.2	565.2
Shareholders' equity per common share	11.56	9.06	7.28	6.70	5.74	4.80
Additional Information:						
Expenditures for property, plant, and equipment	$ 104.0	$ 86.0	$ 87.4	$ 83.2	$ 73.7	$ 59.3
Full-time employees at year-end	8,896	8,709	8,334	8,314	7,560	7,030
Full-time equivalent employees at year-end	10,313	9,856	9,247	9,392	8,470	7,717

(TABLE CONTINUED)

SELECTED FINANCIAL DATA
(in millions of dollars, except per share data) Medtronic, Inc.

	1989	1988	1987	1986	1985
OPERATING RESULTS FOR THE YEAR:					
Net sales	$765.8	$669.9	$515.4	$411.5	$370.4
Cost of products sold	248.5	217.4	176.9	154.5	140.6
Research and development expense	67.7	55.1	43.6	40.1	39.5
Selling, general, and administrative expense	291.9*	267.2	187.7	132.6*	142.6
Interest expense	8.4	5.9	4.3	4.4	3.6
Interest income	(5.6)	(7.1)	(7.2)	(12.5)	(13.4)
Earnings from continuing operations before income taxes	155.0	131.4	110.2	92.3	57.6
Provision for income taxes	54.7	44.8	34.8	24.3	5.8
Earnings from continuing operations	100.3	86.6	75.3	68.0	51.8
Discontinued operations and cumulative effect of accounting changes (net)	--	--	--	(14.0)	(13.7)
Net earnings	$100.3	$ 86.6	$ 75.3	$ 54.0	$ 38.1
Net earnings as a percent of net sales	13.1%	12.9%	14.6%	13.1%	10.3%

Net earnings as a percent of average shareholders' equity	22.2%	21.2%	19.8%	15.5%	11.2%
Per share of common stock:					
Earnings from continuing operations before cumulative effects of accounting changes	$ .86	$ .73	$ .62	$ .54	$ .39
Net earnings	.86	.73	.62	.43	.29
Cash dividends declared	.15	.13	.11	.10	.10
Gross margin percentage	67.6%	67.5%	65.7%	62.4%	62.1%
FINANCIAL POSITION AT APRIL 30:					
Working capital	$206.1	$244.6	$250.2	$227.8	$221.7
Current ratio	1.9:1	2.3:1	3.0:1	2.7:1	3.3:1
Property, plant, and equipment, net	157.2	134.6	121.1	113.7	113.1
Total assets	783.0	661.3	580.0	540.9	473.2
Long-term debt	8.2	11.1	7.6	13.8	9.4
Long-term debt as a percent of shareholders' equity	1.7%	2.7%	1.9%	3.8%	2.8%
Shareholders' equity	492.7	412.0	403.1	358.9	338.1
Shareholders' equity per common share	4.24	3.44	3.21	2.83	2.55
ADDITIONAL INFORMATION:					
Expenditures for property, plant, and equipment	$ 57.4	$ 39.1	$ 28.5	$ 17.6	$ 29.7
Full-time employees at year-end	6,529	5,939	5,156	4,964	5,046
Full-time equivalent employees at year-end	7,152	6,471	5,587	5,329	5,362

*Certain unusual costs and income separately disclosed on the statement of consolidated earnings are included in selling, general, and administrative expense.

INVESTOR INFORMATION

ANNUAL MEETING
The annual meeting of Medtronic shareholders will take place on Wednesday, August 30, 1995, beginning at 10:30 a.m. at the Corporate Center, 7000 Central Avenue, NE, Minneapolis (Fridley), Minnesota. The Notice of Annual Meeting and Proxy Statement are mailed to shareholders with the annual report.

INVESTOR INFORMATION
Shareholders, securities analysts, and investors seeking additional information about the company should call Investor Relations at 612-574-3035.

The following information may be obtained upon request from the Medtronic Investor Relations Department, 7000 Central Avenue, NE, Minneapolis, Minnesota 55432, USA:

* News releases describing significant company events and sales and earnings results for each quarter and the fiscal year.

* Form 10-K Annual and Form 10-Q Quarterly Reports to the Securities and Exchange Commission detailing Medtronic's business and financial condition.

You may also learn more about Medtronic via the Internet. Contact us at http://www.medtronic.com.

As part of continuing efforts to reduce expenses and make information available on a more timely basis, Medtronic has discontinued its practice of automatically sending quarterly reports to shareholders. Quarterly financial results may be obtained by requesting news releases as described above.

PRICE RANGE OF MEDTRONIC STOCK

Fiscal Qtr. 1st Qtr. 2nd Qtr. 3rd Qtr. 4th Qtr.

1995				
High	$44.56	$54.88	$59.50	$75.75
Low	36.13	42.69	49.00	55.75
1994				
High	35.25	37.69	42.50	43.75
Low	30.00	28.81	35.81	35.25

Prices are closing quotations. On June 26, 1995, there were 21,947 holders of record of the company's common stock. The regular quarterly cash dividend was 10.25 cents per share for 1995 and 8.5 cents per share for 1994.

STOCK TRANSFER AGENT, REGISTRAR, AND DIVIDEND REINVESTMENT AGENT
Shareholders with questions about stockholdings, dividend checks, dividend reinvestment, transfer requirements, and address changes should contact:

Norwest Bank Minnesota, N.A.
Stock Transfer
161 North Concord Exchange
P.O. Box 738
South St. Paul, MN 55075-0738
Telephone: 1-800-468-9716 or
1-612-450-4064

DIVIDEND REINVESTMENT PLAN
The dividend reinvestment plan provides a convenient way for shareholders to increase their holdings of Medtronic, Inc., common stock through automatic dividend reinvestment and voluntary cash purchase. All registered holders of Medtronic, Inc., common stock may participate. For more information, please contact the transfer agent.

INDEPENDENT ACCOUNTANTS
Price Waterhouse LLP, Minneapolis

STOCK EXCHANGE LISTING
New York Stock Exchange
(symbol: MDT)

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APPENDIX: Graphic and Image Material

Page Number	Description
33	Bar graph of net earnings in millions of dollars for the last three fiscal years as follows: 1995 $294.0 1994 232.4 1993 197.2
33	Bar graph of earnings per share in dollars for the last three fiscal years as follows: 1995 $2.55 1994 2.02 1993 1.66
34	Stacked bar graph showing net sales in millions of dollars for U.S. and international operations for the last three fiscal years. Data points (in millions of dollars) are as follows:

	1995	1994	1993
U.S.	$ 979.7	$ 800.4	$ 770.6
International	762.7	590.5	557.6
	$1,742.4	$1,390.9	$1,328.2

34 Stacked bar graph of net sales in millions of dollars for the Pacing, Other Cardiovascular, and Neurological and Other business units for each of the last three fiscal years. The data points (in millions of dollars) are as follows:

	1995	1994	1993
Pacing	$1,140.9	$ 934.2	$ 872.4
Other Cardiovascular	455.2	328.1	304.1
Neurological & Other	146.3	128.6	151.7
	$1,742.4	$1,390.9	$1,328.2

35 Bar graph of research and development expense in millions of dollars for the last three fiscal years as follows:

1995	$191.4
1994	156.3
1993	133.0

36 Bar graph of net cash in millions of dollars for the last three fiscal years as follows:

1995	$276.0
1994	103.0
1993	53.3

36 Bar graph of cash flows from operating activities in millions of dollars for the last three fiscal years as follows:

1995	$387.2
1994	356.9
1993	291.5

37 Stacked bar graph of equity and interest-bearing debt in millions of dollars for the last three fiscal years. Data points (in millions of dollars) are as follows:

	1995	1994	1993
Equity	$1,335.0	$1,053.5	$841.5
Interest-Bearing Debt	47.7	78.4	102.7
	$1,382.7	$1,131.9	$944.2

EXHIBIT NUMBER 21

LIST OF SUBSIDIARIES

EXHIBIT 21

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION
Biotec International S.r.L.	Italy
Cardiotron Medizintechnik G.m.b.H.	Federal Republic of Germany
Electromedics France S.a.r.l.	France
Electromedics FSC, Inc.	Barbados
Electromedics Medizintechnik G.m.b.H.	Germany
India Biomedical Investment Limited	Minnesota
Interamerica Medtronic, Inc.	Illinois
International Finance C.V. (INFIN)	Netherlands
International Medical Corporation	Colorado
Interbank Leasing	Colorado
International Medical Education Corp.	Colorado
Med Rel, Inc.	Minnesota
Medtronic (Africa)(Proprietary) Limited	South Africa
Medtronic Andover Medical, Inc.	Delaware
Medtronic Asia, Ltd.	Minnesota
Medtronic Asset Management, Inc.	Minnesota
Medtronic Treasury International, Inc.	Minnesota
Medtronic Treasury Management, Inc.	Minnesota
Medtronic Australasia Pty. Limited	New South Wales
Medtronic Belgium S.A.	Belgium
Medtronic Bio-Medicus, Inc.	Minnesota
Medtronic HemoTec, Inc.	Colorado
Hemadyne Corporation	Minnesota
Medtronic do Brasil Ltda.	Brazil
Medtronic B.V.	The Netherlands
Bakken Research Center, B.V.	The Netherlands
Medtronic of Canada, Ltd.	Canada
Medtronic Carbon Implants, Inc.	Delaware
Medtronic CardioRhythm	California
Medtronic China, Ltd.	Minnesota
Medtronic Dominicana C. por A.	Dominican Republic
Medtronic Electromedics, Inc.	Minnesota
Medtronic Europe, N.V.	Belgium
Medtronic Export, Inc.	Delaware
Medtronic FSC B.V.	The Netherlands
Medtronic France S.A.	France
Medtronic G.B., Inc.	Minnesota
Medtronic Ges.m.b.H.	Austria
Medtronic G.m.b.H.	Federal Republic of Germany
Medtronic Heart Valves, Inc.	Minnesota
Medtronic Iberica, S.A.	Spain
Medtronic International, Ltd.	Delaware
Medtronic Interventional Vascular, Inc.	Delaware
Medtronic Interventional Vascular, Inc.	Massachusetts
Medtronic Italia S.p.A.	Italy
Medtronic Japan Co., Ltd.	Japan
Medtronic Korea Co., Ltd.	Korea
Medtronic Latin America, Inc.	Minnesota
Medtronic Limited	United Kingdom
QRS Limited	United Kingdom
Medtronic Mediterranean SAL	Lebanon
Medtronic Milaca, Inc.	Minnesota
Medtronic Overseas, Inc.	Delaware
Medtronic Puerto Rico, Inc.	Minnesota
Medtronic S.A.I.C.	Argentina
Medtronic S. de R.L. de C.V.	Mexico
Medtronic (Schweiz) AG	Switzerland
Medtronic (S) Pte Ltd.	Singapore

Medtronic de Venezuela S.A.	Venezuela
Telecardiocontrol, C.A.	Venezuela
Medtronic World Trade Corporation	Minnesota
OSMED, Inc.	Michigan
Euromed, S.N.C.	France
Vitatron Japan Co., Ltd.	Japan
Vitatron N.V.	The Netherlands
Vitafin, N.V.	Curacao
Vitatron Beheersmaatschappij, B.V.	The Netherlands
Vitatron Belgium N.V.	Belgium
Vitatron G.m.b.H.	Federal Republic of Germany
Vitatron Medical B.V.	The Netherlands
Vitatron Medical Espana S.A.	Spain
Vitatron Nederland B.V.	The Netherlands
Vitatron S.A.R.L.	France
Vitatron Scientific B.V.	The Netherlands
Vitatron U.K. Limited	United Kingdom
Vitatron Incorporated	Delaware

EXHIBIT NUMBER 24

POWERS OF ATTORNEY

EXHIBIT 24

POWERS OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned directors of Medtronic, Inc., a Minnesota corporation, hereby constitute and appoint each of William W. George and Ronald E. Lund, acting individually or jointly, their true and lawful attorney-in-fact and agent, with full power to act for them and in their name, place and stead, in any and all capacities, to do any and all acts and things and execute any and all instruments which either said attorney and agent may deem necessary or desirable to enable Medtronic, Inc. to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing with said Commission of its annual report on Form 10-K for the fiscal year ended April 30, 1995, including specifically, but without limiting the generality of the foregoing, power and authority to sign the names of the undersigned directors to the Form 10-K and to any instruments and documents filed as part of or in connection with said Form 10-K or amendments thereto; and the undersigned hereby ratify and confirm all that each said attorney and agent shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have set their hands this 29th day of June, 1995.

/s/ F. Caleb Blodgett
F. Caleb Blodgett
/s/ Arthur D. Collins, Jr.
Arthur D. Collins, Jr.
/s/ William W. George
William W. George
/s/ Antonio M. Gotto, Jr., M.D.
Antonio M. Gotto, Jr., M.D.
/s/ Bernadine P. Healy, M.D.
Bernadine P. Healy, M.D.
/s/ Vernon H. Heath
Vernon H. Heath
/s/ Thomas E. Holloran
Thomas E. Holloran
/s/ Edith W. Martin, Ph. D.
Edith W. Martin, Ph.D.
/s/ Glen D. Nelson, M.D.
Glen D. Nelson, M.D.
/s/ Richard L. Schall
Richard L. Schall
/s/ Jack W. Schuler
Jack W. Schuler
/s/ Gerald W. Simonson
Gerald W. Simonson
/s/ Gordon M. Sprenger
Gordon M. Sprenger
/s/ Richard A. Swalin, Ph. D.
Richard A. Swalin, Ph.D.
/s/ Winston R. Wallin
Winston R. Wallin

<ARTICLE> 5
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Exhibit 27

MEDTRONIC, INC.
FINANCIAL DATA SCHEDULE
April 30, 1995

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE STATEMENT OF CONSOLIDATED EARNINGS AND CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED APRIL 30, 1995 FILED WITH THE SEC ON FORM 10-K AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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