

RTG INVESTOR BRIEFING

NORTH AMERICAN SPINE SOCIETY (NASS)

OCTOBER 26, 2016

BOSTON, MA

GEOFF MARTHA

EVP & GROUP PRESIDENT, RTG



Medtronic
Further, Together

RYAN WEISPFENNING

VICE PRESIDENT

INVESTOR RELATIONS

FORWARD LOOKING STATEMENT

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

GEOFF MARTHA

EVP AND GROUP PRESIDENT

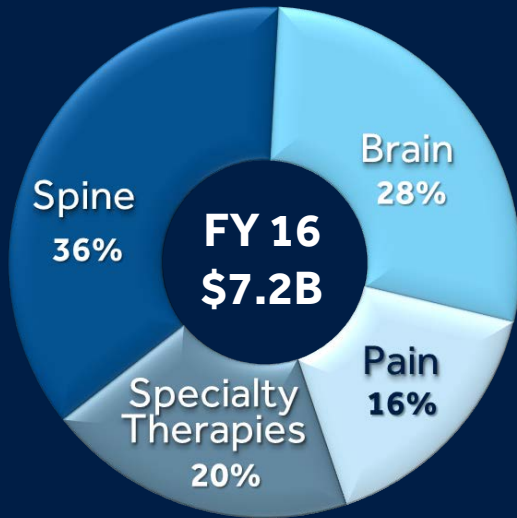
RESTORATIVE THERAPIES

GROUP

ORGANIZED TO CONSISTENTLY DELIVER INNOVATION THAT MATTERS

ALIGNING STRUCTURE TO STRATEGY

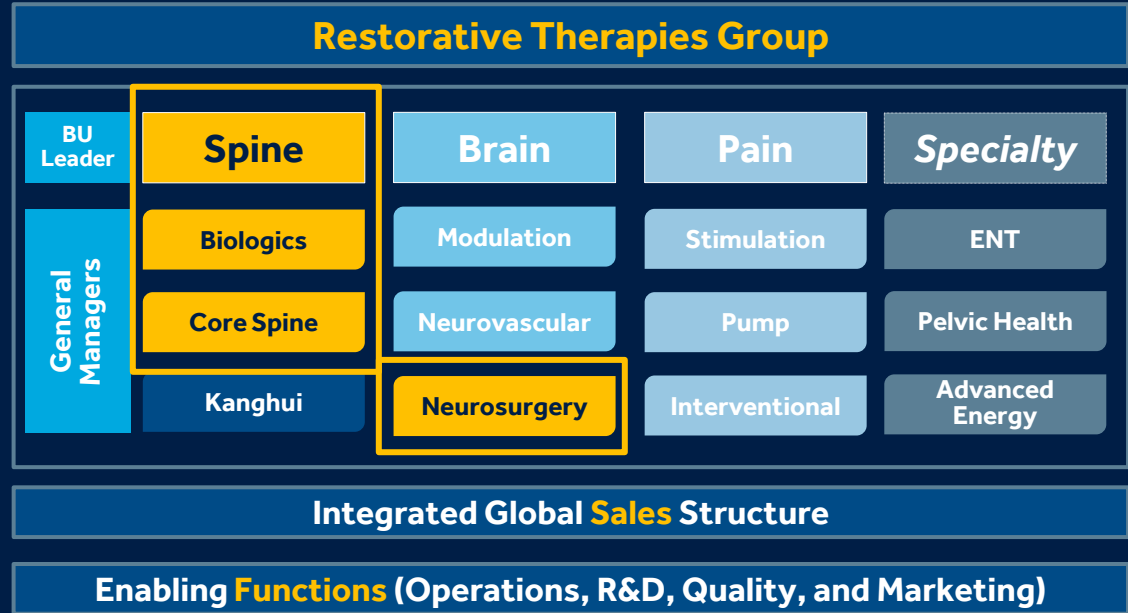
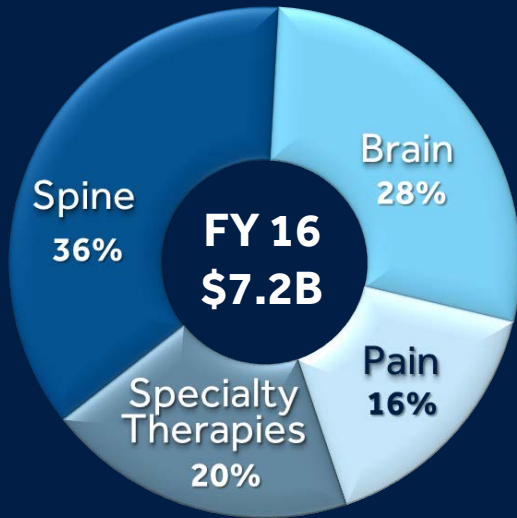
Restorative Therapies Group



ORGANIZED TO CONSISTENTLY DELIVER INNOVATION THAT MATTERS

ALIGNING STRUCTURE TO STRATEGY

Restorative Therapies Group



FOCUS OF TODAY'S MEETING

INTRODUCTION TO TODAY'S PANEL

RTG LEADERSHIP Q&A

DOUG KING

Senior Vice President &
President

Spine Division



SHARROLYN JOSSE

Vice President &
General Manager

Core Spine



SCOTT HUTTON

Vice President &
General Manager

Neurosurgery



DELIVERING GROWTH

THEMES FOR TODAY'S DISCUSSION

RETURN TO MARKET GROWTH

MDT continues to execute on returning the Spine business to sustainable market growth

SURGICAL SYNERGY™

A unique differentiator for MDT and RTG

MAZOR PARTNERSHIP

Opportunity to further improve the accuracy and efficiency of spine surgery

SPINE MOMENTUM BUILDING: FY16 RECAP

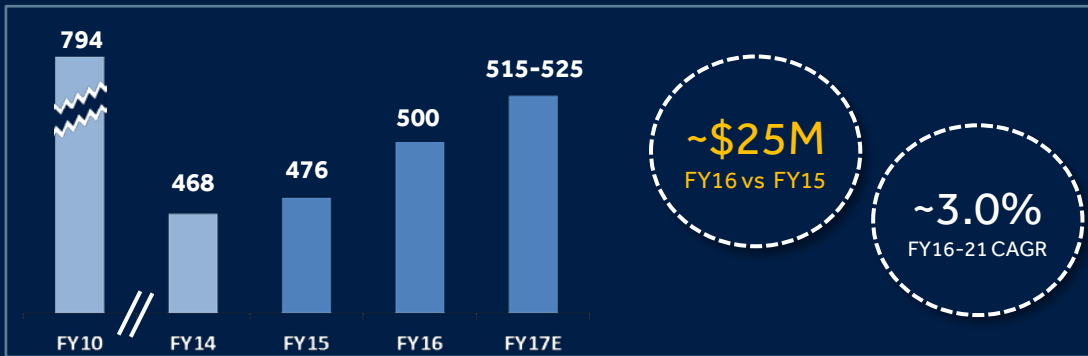
FOUNDATION ESTABLISHED TO RESTORE GROWTH

PRODUCT INNOVATION AND SET INVESTMENT



As end markets return to growth and MDT headwinds abate, a **wave of new innovation** is delivering growth.

INFUSE® Bone Graft REBOUND

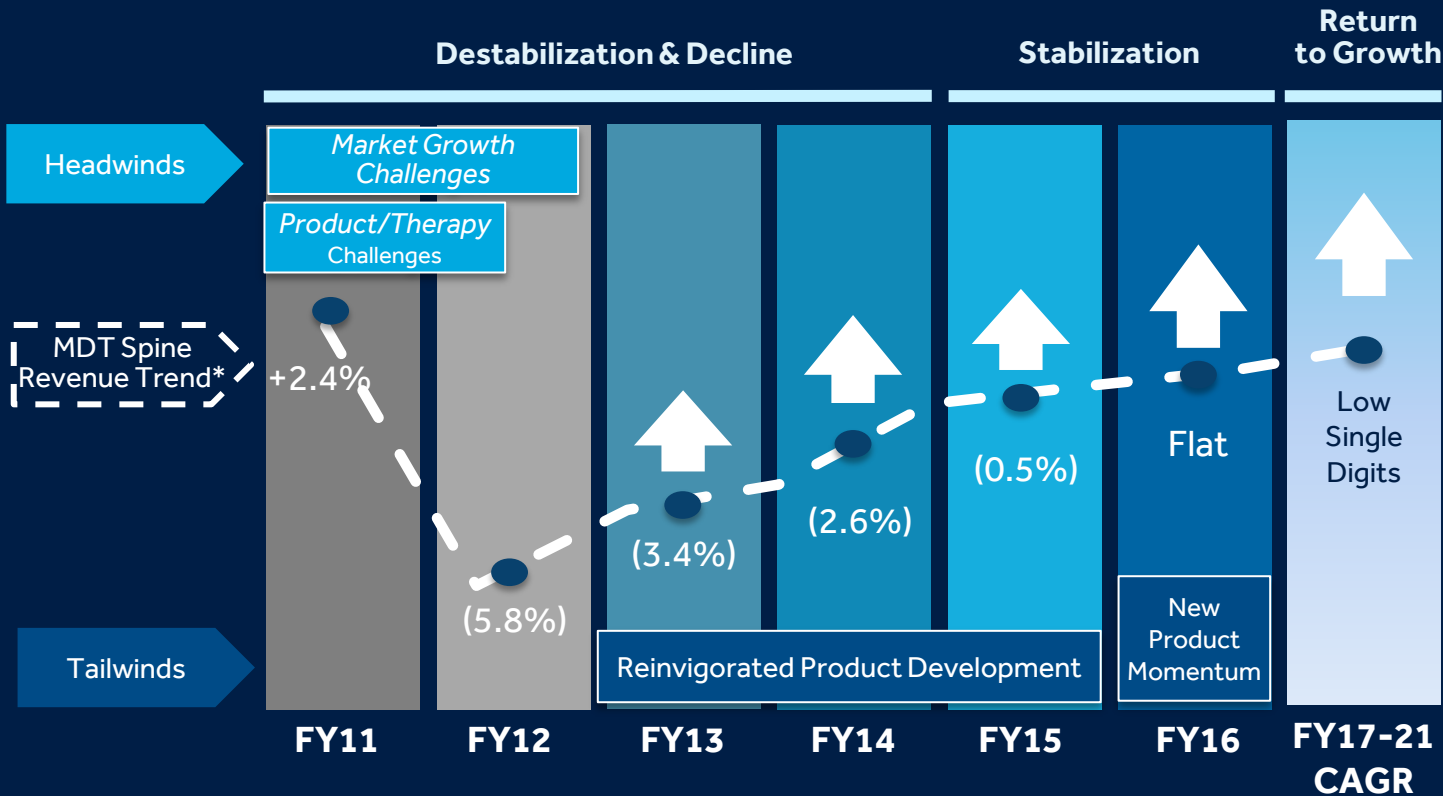


BMP WW Revenue in \$M

Biologics portfolio shifting to growth from **INFUSE® Bone Graft** rebound due to indication expansion.

HEADWINDS ABATING, WHILE TAILWINDS EMERGING FROM FOCUSED EXECUTION

FOUNDATION ESTABLISHED TO RESTORE GROWTH



*WW Core and BMP versus PY.

Q1 FY17 Results

- WW growth in-line with the market
- Mid-single digit US growth with sequential improvement
- Spine + imaging and navigation capital equipment grew high-single digits in US

FUTURE GROWTH

PILLARS TO DELIVER GROWTH

1

"SPEED-TO-SCALE"

Speed
of Innovation

Synchronized
procedural launches

Scale
at Launch

Accelerating innovation execution and launching products as a **procedural solution**

2

SURGICAL SYNERGY™



Stronger commitment to Surgical Synergy™ differentiating the Medtronic surgical experience

SPEED-TO-SCALE

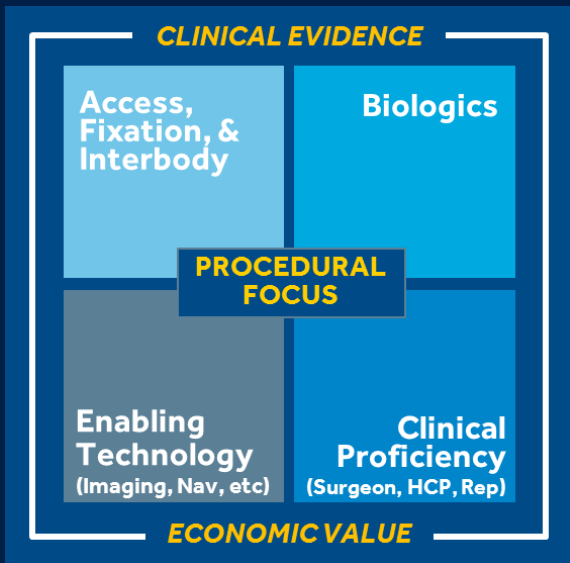
INNOVATION, PREDICTABILITY, AND IMPACT

Speed of Innovation



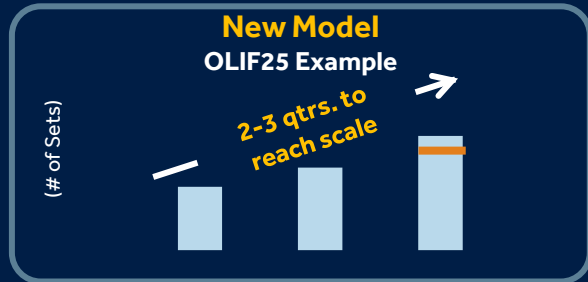
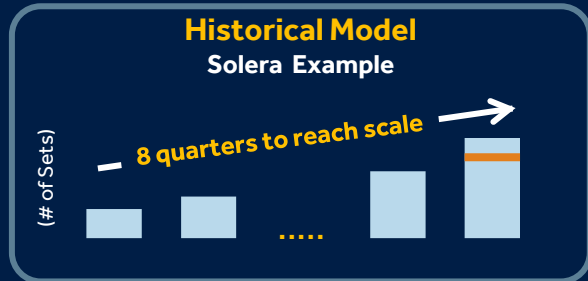
Concept to Commercialization

Synchronized Procedural Launches



All components of procedure must be in place to initiate launch.

Scale at Launch



Scale is defined as 75% of predicate sets available

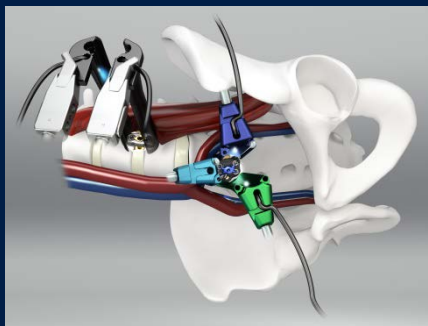
Reduce time to scale from 8+ quarters to <3 quarters.

CASE STUDY: OLIF PROCEDURE LAUNCH (OBLIQUE LATERAL INTERBODY FUSION)

A PROCEDURAL LAUNCH REACHING SCALE QUICKLY








Procedure Benefits

- **Patient:** Truly MIS (avoids disrupting nerve-filled psoas muscle)
- **Surgeon:** Easier to access to more discs
- **Economic:** Neuromonitoring optional; no flip (and associated time) to access all lumbar levels



Synchronized Launch

OLIF Procedural Component

Metal	Access System	
	Interbody	
	Fixation	
	Biologics*	
	Enabling Technology	
Proficiency	Surgeon Training	
	Rep Training	
	Clinical Evidence/EV	

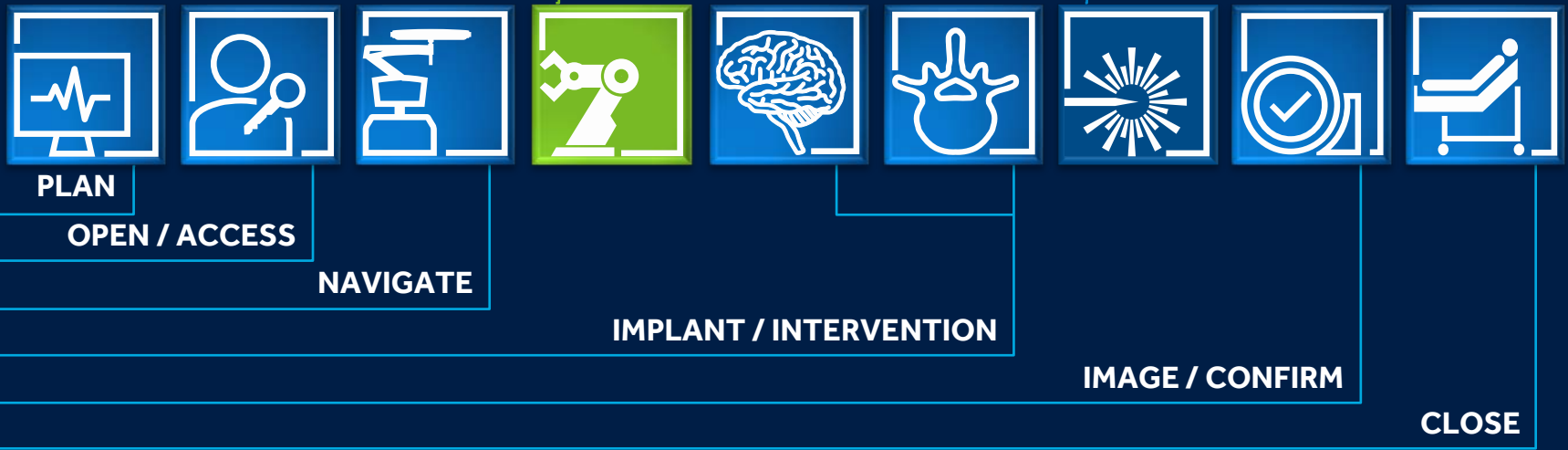
*limited to use with Clydesdale in OLIF 25

SURGICAL SYNERGY: WE'RE TRANSFORMING SURGERY

DISRUPTIVE INNOVATION

SURGICAL GUIDANCE SYSTEM/ROBOTICS

LASER ABLATION



SURGICAL SYNERGY: WE'RE TRANSFORMING SURGERY

DISRUPTIVE INNOVATION



The goal of Surgical Synergy™ is to drive optimal clinical and economic outcomes from diagnosis through surgery with technology enabled procedural innovation

SURGICAL SYNERGY: WE'RE TRANSFORMING SURGERY

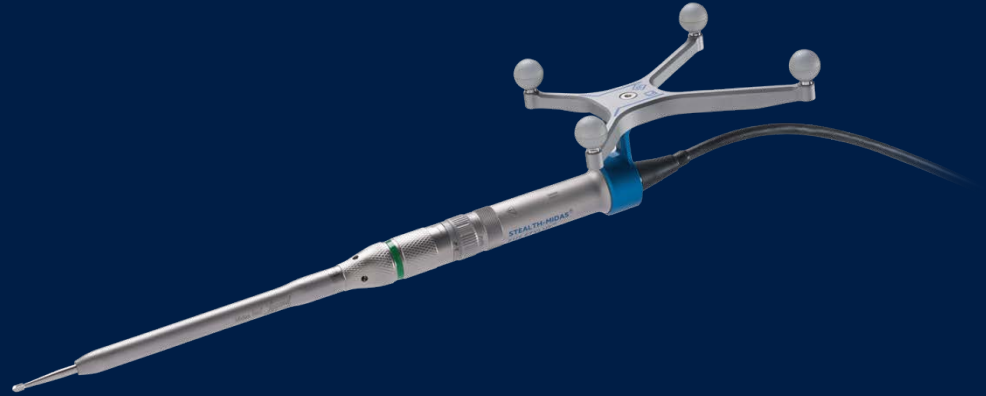
DISRUPTIVE INNOVATION

Innovation

Midas Rex is delivering meaningful innovations that **improve spinal surgery workflow**

Customer Focus

The Stealth-Midas can potentially **reduce OR time** compared to the current solutions



NAVIGATED
**SURGICAL
INNOVATION**

MAZOR RELATIONSHIP

COMMERCIAL COLLABORATION

Key Milestones

Strategic Commercial and Investment Agreement
May 2016

Mazor X unveiled
July 2016

\$20M "second tranche" investment from MDT
August 2016

Mazor X commercialized
Today



SUMMARY: DRIVING SPINE GROWTH VIA 3 STRATEGIC PILLARS

PATIENT
CENTRIC
TO IMPROVE
OUTCOMES



ENABLING
PROCEDURAL
SOLUTIONS

- From launching implants to procedures
- Deploying enabling technologies & robotics
- **Biologics expansion**
- Launching procedures with evidence

BUSINESS
FOCUS
TO IMPROVE
EXECUTION



EXECUTING
WITH AGILITY
AND SCALE

- Reducing development cycle times (Speed)
- **Go to market "at scale" (Scale)**
- Improved inventory management (SIM)
- Reducing costs through operational scale

EXPANDING
REACH
TO DELIVER
VALUE



CREATING
VALUE-BASED
SPINE
SOLUTIONS

- Increasing patient access to care
- Innovating new business models
- Improving care pathways
- Cultivating new partnerships

PANEL DISCUSSION / Q&A

Moderated by

GEOFF MARTHA

EVP and President, RTG

PANELISTS

Doug King

SVP and President, Spine

Sharrolyn Josse

VP and GM, Core Spine

Scott Hutton

VP and GM, Neurosurgery

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