Medtronic News

Medtronic Increases Its Cash Dividend by 7 Percent

MINNEAPOLIS - June 21, 2012 - The board of directors of Medtronic, Inc. (NYSE: MDT) today approved a 7.2 percent increase in its cash dividend for fiscal year 2013, raising the quarterly amount to $0.26 per share of the company's common stock for an annual amount of $1.04 per share. Medtronic's dividend has more than doubled over the past five years, and today's announcement marks the company's 35th consecutive year of increased dividend payments. Medtronic is a constituent of the S&P 500 Dividend Aristocrats index.

"This dividend increase demonstrates the confidence of the board of directors and management team in the strength of the company's cash flow generation and ability to generate value for our shareholders," said Omar Ishrak, chairman and CEO. "We are committed to returning 50 percent of our free cash flow each year through dividends and share repurchases, which still gives us ample flexibility to make disciplined investments for sustainable growth."

This dividend increase brings the company's dividend yield to nearly 3 percent and dividend payout ratio to 30 percent of prior year diluted earnings per share. In fiscal year 2012, the company generated $4.4 billion in operating cash flow, made over $1 billion in dividend payments to its shareholders, and repurchased 37 million shares of its common stock, for a combined total cash return to its shareholder of more than $2.5 billion.

The dividend is payable on July 27, 2012, to shareholders of record at the close of business on July 6, 2012. Under its Share Repurchase Plan, Medtronic may make purchases from time to time through the open market.

ABOUT MEDTRONIC
Medtronic, Inc. (http://www.medtronic.com/), headquartered in Minneapolis, is the global leader in medical technology - alleviating pain, restoring health and extending life for millions of people around the world.

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

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